



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
3.1	Transportation products auctioned	
1.	<p>Do you agree with the proposal to include the following products in the auction:</p> <ul style="list-style-type: none"> ○ forward haul transportation services (with separate products offered in both directions on bi-directional pipelines)? If not, please explain why. ○ compression services? If not, please explain why. 	<p>Yes Shell broadly agrees with the current proposal to include the suggested products as part of the Auction. There does, however need to be a clear process for updating and/or removing products. Unlike the Capacity Trading Platform, it is unclear how this process will work and who will be responsible</p> <p>We don't believe the list should be included in the Rules, but changes do need to go through a robust review process. It would make sense for AEMO manage this process, but this would need to happen with additional transparency measures than currently apply for Procedure changes.</p> <p>The produce list should be reviewed on a two yearly basis.</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>See response to Question 1.</p>



	Questions	Feedback
3.2	Priority of the auction product	
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"> ○ please explain why you think this option should not be selected; and ○ 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. 	<p>Shell believes that this is the single most important design issue with respect to the Day Ahead Auction (DAA) and if it is not addressed appropriately will severely limit the effectiveness of the auction providing an incentive to trade secondary capacity.</p> <p>In this regard, Option 1 (second priority firm) is not Shell's first preference - Shell would view this as a "second best" outcome. Shell supports the adoption of Option 4 – a hybrid of firm and interruptible capacity. We believe that it is the option that most appropriately balances off the trade-offs across the range of options. We believe that a proportion of the capacity should be made available on a firm basis if the DAA is to achieve its objective of increasing the level of trade in gas and market liquidity across the east coast. We are not convinced that Option 1 will deliver this outcome.</p> <p>That being said, if Option 4 is not adopted Option 1 is preferable to the other options as it is the only other option that will likely deliver an outcome that goes part way to achieving the objectives of the DAA. This is consistent with Shell's view that has been expressed throughout the AEMC and GMRG processes and the following points provide more detail on our reasoning.</p> <p><i>Why Option 1 is not the optimal solution</i></p> <ol style="list-style-type: none"> 1. As Option 4 does not represent a "firm product" it will not necessarily encourage parties to enter the DAA with the intention of supporting additional gas trading relative to the levels that would have otherwise been transacted. Rather parties are more than likely to enter the DAA to lower their overall costs of non-firm transport (i.e. this is a mechanism of acquiring cheaper "as available" or "interruptible" capacity). 2. Following on, while a slight improvement on Option 2 and 3, essentially Shell views Option 4 as a mechanism to improve the economics of an existing trade through potentially acquiring essentially the same transport service at a lower price to underpin an already agreed gas sale.



		<p>3. We do not believe this is the outcome the GMRG, AEMC nor the COAG Energy Council are seeking.</p> <p>4. To increase the overall level of gas trading in the market, the auction product needs to be attractive to prospective shippers and allow them to enter into deals that they would not otherwise enter; as such a proportion needs to be made available on a firm basis.</p> <p>5. Although we acknowledge that shippers with firm rights to pipeline capacity should not be unduly impacted by this process, it is important to note that if an auction product can be interrupted within day, shippers holding the firm capacity are effectively not at any risk of losing that capacity irrespective of their decision to trade it ahead of time. In this case, the auction process will not act as a “credible threat” to encourage greater trade volumes on the Capacity Trading Platform i.e. there will be no incentive for shippers to change their existing behaviour.</p> <p>6. We note that it is difficult to determine the exact proportion that should be auctioned on a firm basis, but we consider 20 percent appears reasonable as an initial starting point and the level could be adjusted after the mechanism has been in place for a period.</p> <p><i>Why auctioning a proportion of capacity on a firm basis is not unreasonable</i></p> <ul style="list-style-type: none">• Shell is not in favour of regulatory reforms that result in the long-run erosion of property rights. That being said, in this case we consider that a proportion of capacity can be released on a firm basis without materially impacting existing shippers’ long-term positions and eroding contractual rights.• We are suggesting a small proportion is auctioned on a firm basis (e.g. 20 percent), leaving most of the auction capacity to be auctioned on an interruptible basis to allow renominations to be accommodated.
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Questions	Feedback
	<ul style="list-style-type: none">• It is unclear the level of actual firm contractual rights across shippers. For the purposes of the DAA we believe only firm contractual renomination rights should be accommodated by pipelines. While we appreciate some parties consider they have “implicit rights” as pipelines renominations have been accommodated under a “best endeavours approach”, given the importance of ensuring the auction design is effective, only contractual rights should be accommodated. Given the relevance of this analysis it is unclear why this has not been undertaken particularly as the ACCC now has access to Gas Transportation Contracts.• While we do not support the erosion of genuine contractual renomination rights, we do not support honouring implicit rights ahead of the capacity acquired through the auction. Furthermore, we find it unlikely that the security of the power system will be compromised. Capacity acquired through the auction will more than likely be used to service another gas-fired generator. Gas for generation is the most likely use of capacity purchased through the auction – industrial demand is relatively flat and it is unlikely that during peak periods, that a party would see value in placing gas into storage.• It appears that policy makers in other markets strongly recognised the importance of auctioning a proportion of capacity on a firm basis (i.e. it encouraged competition) and it is not clear why the East Coast Gas Market is any different.• We recommend that before a decision is taken on the priority ordering options, the GMRG investigates this issue further. <p><i>Other</i></p> <p>Furthermore, while this was a required outcome by the AEMC, in other aspects of the design the GRMG has decided to recommend an alternative approach. As</p>



	Questions	Feedback
		<p>such we do not see that the GMRG on, this issue, should be constrained by the AEMC's view.</p>
4.	<p>Are there any other tools that you think should be available to auction participants to manage curtailment risk?</p>	<p>As an overarching comment, to encourage participants to engage in the DAA (or that it is a sufficient threat to encourage the release of capacity through the secondary market), the product needs to be as attractive as possible to buyers and this includes enabling parties to manage their risk appropriately. In this regard, we make the following comments:</p> <ol style="list-style-type: none"> 1. If any other product priority ordering options apart from Option 1 are to be adopted, "as available" (and "interruptible") products must be maintained to enable participants to manage risk. For example, if a party purchased capacity in the DAA (and its priority order fell below as available) and it was curtailed due to a renomination of a firm shipper, the auction holder has the option of purchasing "as available" capacity. Without this option, parties could be very reluctant to participate in the DAA. <p>We note this is a departure from the AEMC's recommendation, but for the reasons mentioned consider it important that these products are maintained.</p> <ol style="list-style-type: none"> 2. Shell agrees with the GMRG's risk mitigation suggestions. In particular, <ul style="list-style-type: none"> • The design should avoid parties having to pay for the capacity if they are curtailed and unable to flow the gas. This helps mitigate potentially having to purchase more expensive "as available" capacity or compensating a customer for the non-delivery of gas. This feature is important to ensuring parties are not disincentivised from participating in the DAA. • Parties should also be offered primary capacity if it is available. We believe this should be offered at the shadow price to the auction price outcome. Our reasons are similar to those expressed under comments regarding the importance of maintaining "as available" capacity. 3. We agree with the GMRG other suggestions to mitigate risk including informational measures,



	Questions	Feedback
3.3 Other elements of the auction product		
5.	<p>Do you think the auction product should have:</p> <ul style="list-style-type: none"> ○ the same MHQ factor as that specified in the service provider's operational GTA? If not, please explain why. ○ a 'reasonable endeavours' renomination right? If not, please explain why. 	To ensure the auction product is as attractive to buyers as possible it should have the same features as other firm products including MHQ and best endeavours renominations rights(however these are not to be assumed or relied upon).
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"> ○ 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? ○ Are there any other issues that the GMRG should be aware of in relation to this proposal? 	Yes - Refer to response to Question 5.
3.4 Contract path specification		
7.	<p>Do you think a zonal or point-to-point contract path approach should be employed in the auction?</p>	Shell is comfortable with a zonal approach and our comments regarding curtailment arrangements for the capacity platform also apply in the case of the DAA.
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"> ○ the proposal to use different approaches for the trading platform and auction? If so, please explain why. ○ 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. 	n/a



	Questions	Feedback
9.	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?	n/a
4.1 Calculation of auction quantity		
10.	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?	Shell considers that it essential that the maximum amount of capacity is made available through the auction. The suggested methodology appears reasonable; however, we are interested to understand whether the pipelines have identified any material concerns.
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?	No – see response to Question 3
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?	<p>Shell does not support the auction product being defined as a second priority as available or interruptible product (i.e. Options 2 and 3). This reduces the attraction of the product to potential shippers and is unlikely to encourage participation the DAA.</p> <p>In the event that Options 2 or 3 are introduced the option that provides the greatest volume should be introduced (i.e. Top Down approach).</p> <p>In reality, we consider this is an unlikely outcome as available and interruptible products will not be called on as shippers are likely to enter the auction to purchase this capacity at a less expensive price.</p>
13.	Are there any other factors that service providers would need to take into account when calculating the auction quantity for each product?	Shell is not aware of any other factors. The Pipelines are better placed to identify concerns.



	Questions	Feedback
14.	Are there any specific calculation issues that the GMRG would need to consider if the point-to-point approach is used?	Shell is not aware of any other factors. The Pipelines are better placed to identify concerns.
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?	Yes, as mentioned, Shell considers that it essential that the maximum amount of capacity is made available through the auction. As such to provide participants with confidence around the methodology it should be prescribed in the Rules and its application overseen by the AER.
4.2 Auction format		
16.	Do you agree with the proposal to utilise a partial combinatorial auction? If not, please explain why?	<p>To encourage participation/ ensure the product is as attractive as possible to shippers Shell believes the Auction should be based on the following principles:</p> <ol style="list-style-type: none"> 1. Maximise capacity available to the auction 2. Derive a pricing rule that generates the lowest price outcome for shippers 3. Provides sufficient certainty for shippers on potential outcomes 4. Minimises aggregation risk 5. Provide as much flexibility as possible to prospective shippers 6. Be based on a mechanism that is known to work and the algorithm is relatively simple to understand. 7. Ensure pipelines can cover their costs <p>Our responses to the questions on the auction format are based around these Principles.</p> <p>Given the complexity of the other options, Shell considers this a reasonable recommendation.</p>
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"> o If you think it should be included from market start, please outline the benefits you think bidders will derive from its 	Shell does not have a strong view on this point.



	Questions	Feedback
	<p>inclusion and if you think these benefits will outweigh the costs and complexities of including this in the auction solver?</p> <ul style="list-style-type: none"> o 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 	
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.	Shell does not have a strong view on this point.
19.	Do you agree with the proposal to include the static backhaul optional feature? If not, please explain why.	See response to Question 2.
4.3 Reserve price		
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?	Shell does not have a strong view on this point, but does not have a concern if the reserve price is adjusted to reflect these costs as it is likely to be more economically efficient.
4.4 Pricing rule		
21.	Do you agree with the proposal to adopt a pay-as cleared pricing rule? If not, please explain why.	Shell would prefer a price as bid pricing rule be adopted. While overall revenue from the auction is expected to be the same (i.e. neither the pipeline nor the bidder is better off), it does give participants more certainty over the pricing outcome and increases their wiliness to participate. It also appears to work effectively for the SRA process.
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.	n/a



	Questions	Feedback
23.	<p>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.</p> <ul style="list-style-type: none"> 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. 	Shell considers this is reasonable.
24.	<p>Do you agree with the proposal to use a random tie-break mechanism in those cases where there are more than one set of prices that satisfy the pricing constraints imposed by the lowest accepted bids? If not, please explain why.</p>	Shell considers this is reasonable.
4.5 Method for determining winning bidders		
25.	<p>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>	Shell does not have a strong view on this point and it seems reasonable if it is used as part of the SRA algorithm.
26.	<p>Do you agree with the proposal to use a random tie-break rule to determine winning bidders? If not, please explain why.</p>	Shell considers this is reasonable.
4.6 Curtailment on the gas day		
27.	<p>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.</p>	Yes see response to Question 4
28.	<p>Do you think that auction winners should be able to choose whether they are only curtailed on the product for which there</p>	Yes, as mentioned, to encourage participation/ ensure the product is as attractive as possible to shippers Shell believes that shippers should be provided as much flexibility as possible including, in the event of insufficient capacity, they have the choice of



	Questions	Feedback
	is insufficient capacity or across all products? If not, please explain why.	being curtailed on just the one product or on all the products they have secured through the auction.
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.	<p>At a minimum and consistent with our views already expressed, compensation should be provided if a shipper is curtailed. This shields shippers from some of the risks, although it does not necessary leave shippers whole and there are other risks around non-delivery that they are likely to be exposed to (contractual penalties, reputational issues etc.)</p> <p>In this context, in terms of the curtailment order, it is unclear at the moment how often this will be required. We agree if it is not a frequent occurrence, given the cost and complexity involved the simplest option should be adopted (i.e. pro-rata curtailment across the various pipelines). It should, however, be reviewed in 12 months by AEMO to determine the frequency and if the risk has increase Shell would prefer the Pipeline wide Valuation –based curtailment (with compensation) should be adopted.</p>
4.7 Allocation of the auction residue		
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.	<p>Shell does not have a strong view on this point, however, notes that if is the most economically efficient allocation method and does not create undue costs it would seem appropriate to proceed with this option.</p> <p>Largely we see this as an issue for the GMRG and the pipelines to determine.</p>
4.8 Information to be provided to auction participants		
31.	<p>Do you agree with the proposal to:</p> <ul style="list-style-type: none"> ○ provide auction participants with information on the products to be auctioned and the auction quantities prior to the auction? ○ provide auction winners with information on their own winning bids and the clearing price for all the products sold through the auction? ○ publish information on auction quantities and the clearing prices on the BB website? 	Shell is comfortable with this information being released as proposed and published on the GBB.



	Questions	Feedback
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.	<p>Shell is comfortable with the initial proposal to not publish the bid-stack. We do consider that this needs to be monitored closely and introduced when there is sufficient competition.</p> <p>Shell also considers there could be some information published such as the max and min bids and the stand deviation across the stack.</p>
4.9 Auction timing		
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>Shell is reasonably comfortable with the proposed timing. Also, as previously advised in earlier responses, while we agree with harmonising the nomination times and aligning the gas day start across the coast longer-term we do not think the costs outweigh the benefits of bring this forward over the short-term to enable the auction to be run an hour earlier.</p> <p>We do, however, consider that the Gas Supply Hub operational times should be extended to 7pm to enable recipients of capacity through the auction to potentially secure gas trades through the GSH.</p>
34.	<p>What do you think should occur if:</p> <ul style="list-style-type: none"> ○ a service provider is unable to provide AEMO with the auction quantity within the required timeframe? ○ AEMO experiences a system failure and is unable to conduct the auction within the required timeframe? 	<p>Shell would prefer the auction is run at a later time in both instances outlined. Participants may have likely entered into provisional gas trades with the expectation of entering the DAA to secure capacity.</p>
5.2 Coverage of the auction		
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.	<p>Shell agrees that the DAA should be applied to all transmission pipelines that link major demand centres and supply sources. Given the importance of the DAA in supporting gas trading across the East Coast, it needs to underpin access to the infrastructure linking traded markets and provide certainty to the market. Furthermore, if its purpose is to improve allocative efficiency (transport gas to those</p>



	Questions	Feedback
		<p>who value it most) it is unclear why it would not be applied to pipelines that are less than 100 percent contracted.</p> <p>Taking this approach also removes arbitrarily determining a threshold level of contracting and potentially creating a situation where pipelines come in and out of the DAA. It also is inconsistent with a combinatorial auction.</p>
36.	<p>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?</p>	<p>Shell is comfortable with the proposed list of pipelines and compressors to form part of the DAA.</p>
37.	<p>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?</p>	<p>Yes Shell agrees with the economic analysis provided by NERA</p>
38.	<p>Do you agree that exemptions should be available to:</p> <ul style="list-style-type: none"> o transportation assets that are not providing third party access? If not, please explain why. o transportation assets that service a single facility? If not, please explain why? 	<p>Shell is comfortable with the exemptions and considers it appropriate to exclude pipelines servicing single facilities and those not servicing third parties and consider this should capture the LNG facilities.</p> <p>Principally, we view the auction as supporting trading at key locations where liquidity is expected to develop and would be applied to the pipelines that link those traded markets. As such, we do not consider there are solid arguments why the LNG export pipelines would be included in particular:</p> <ul style="list-style-type: none"> • These are point-to-point pipelines built to service individual LNG plants. There is no traded market for gas at the downstream end of these pipelines and we do not expect there to be in the future. • The market benefits of applying the auction to these pipelines are unclear. Given the physical and commercial characteristics of the LNG facilities downstream of these pipelines, we do not expect that including these pipelines in the auction would result in any increased market liquidity.



Questions		Feedback
		To avoid ambiguity, we recommend the GMRG consult further with industry on precise definitions to avoid these pipelines being unintentionally being captured by the scheme.
39.	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.	Shell does not have a strong view on this point and it seems reasonable if the costs outweigh the benefits.
40.	Are there any other exemptions that you think should be provided for? If so, please explain what they are and why they are required.	No - Shell is not aware of any other exemptions that should be provided for.
6.1 Auction platform and systems		
41.	Do you agree with AEMO's proposal to use existing systems and a modified version of the SRA algorithm? If not, please explain why.	Yes – this appears cost effective and it has been operating successfully for a number of years (i.e. we have confidence in its operation).
42.	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?	n/a
6.2.2 Settlement arrangements		
43.	Do you agree with AEMO's proposal to combine the settlement amounts for the GSH and day-ahead auctions? If not, please explain why.	Shells supports this initiative as it simplifies administrative arrangements. There should however be separate line items for each market.
6.2.3 Credit risk management		
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.	Shells strongly supports this initiative as it simplifies administrative arrangements.
6.2.4 Cost recovery		



	Questions	Feedback
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.	<p>Shell does not have a strong view on this point and but notes that the objectives of the DAA directly and indirectly support the entire market and by placing the costs only on GSH participants may discourage parties from participating.</p> <p>We consider there is benefit applying a similar fee methodology to recovering the auction costs as applies to other AEMO operated markets (gas and electricity).</p>
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.	See response above.
47.	Do you think the cost recovery provisions should be specified in the NGR?	No. It should be specified in AEMO procedures. We note the issues with including the Gas Bulletin Board cost recovery arrangements in the NGR – there was not any scope to amend the arrangements when they were deemed no longer appropriate.
6.25 Other contractual arrangements required by auction winners		
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?	Shell has not identified any particular issues.
7.2 Legal and governance framework for the day-ahead auction		
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 Error! Reference source not found. ?	Shell has not identified any further issues.



PART B – Reporting Framework for Secondary Trades

	Questions	Feedback
	8.1 Types of trades to be reported	
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"> ○ all exchange traded products listed on the capacity trading platform; and ○ 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? <p>Or do you think that there are other types of secondary capacity trades that should be reported?</p>	Shell largely agrees with the suggested list of reporting requirements including exchange traded, auctioned and bi-lateral transactions.
	8.2 Information to be reported	
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"> ○ additional information should be reported? If so, please set out what additional information you think should be reported and why. ○ less information should be reported? If so, please set out what information you don't think should be reported and why. 	Shell largely agrees with the suggested list of reporting requirements including exchange traded, auctioned and bi-lateral transactions.
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>	Shell is concerned about anonymity as it might potentially discourage parties from trading if they view there are confidentiality concerns (i.e. the costs of discouraging trade may outweigh the benefits of additional transparency). We consider AEMO should develop guidelines to preserve anonymity (e.g. in this circumstance trades are noted but the details are not reported).
	8.3 Reporting obligation for bilateral trades	
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"> ○ the buyer? If so, please explain why. 	Shell agrees with the GMRG's view that sellers are the more natural candidate for the reporting obligation.



	Questions	Feedback
	<ul style="list-style-type: none"> ○ both counterparties? If so, please explain why. 	
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?	<p>Shell considers there is benefit in requiring short-term trades and trades that are to commence in the very near future to be reported as soon as possible after the transaction has closed (i.e. we agree with this being set at the earlier of one day after the trade is executed and the day prior to commencement).</p> <p>For bilateral transactions that are to commence > 1 month in advance for a long period (e.g. 3 to 6 months) we do not see the immediate need to have these reported and suggest for these trades that a period of 3 days to report would seem appropriate. Operationally this would make reduce the regulatory burden on parties - it might take a short period for the information to flow from those involved in execution to those responsible for reporting.</p>
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?	Shell does not have a strong view on this point and if there are clear reasons including costs than this should be accommodated.
8.4 Where information should be published		
56.	Do you agree with the proposal to allow AEMO to publish information on: <ul style="list-style-type: none"> ○ exchange based trades on the GSH and the BB website? If not, please explain why. ○ bilateral trades on the BB website? If not, please explain why. 	Shell agrees the GBB appears to be the appropriate place to publish this information and is consistent with the view to have the GBB as a “one stop shop” for gas market information.
9 Governance arrangements		
57.	Are there any other changes that you think will be required to the governance arrangements that have not been identified in Error! Reference source not found. ?	Shell has not identified any particular issues