



Draft National Gas Amendment (Portfolio Rights Trading) Rule 2014

Under the National Gas Law to the extent applied by:

- (a) the National Gas (South Australia) Act 2008 of South Australia;
- (b) the National Gas (ACT) Act 2008 of the Australian Capital Territory;
- (c) the National Gas (New South Wales) Act 2008 of New South Wales;
- (d) the National Gas (Queensland) Act 2008 of Queensland;
- (e) the National Gas (Tasmania) Act 2008 of Tasmania;
- (f) the National Gas (Victoria) Act 2008 of Victoria; and
- (g) the National Gas (Northern Territory) Act 2008 of Northern Territory;
- (h) the Australian Energy Market Act 2004 of the Commonwealth,

the Australian Energy Market Commission makes the following Rule under the National Gas Law.

John Pierce
Chairman
Australian Energy Market Commission

Draft National Gas Amendment (Portfolio Rights Trading) Rule 2014

1 Title of Rule

This Rule is the Draft *National Gas Amendment (Portfolio Rights Trading) Rule 2014*.

2 Commencement

This Rule commences operation on [COMMENCEMENT_DATE].

3 Amendment of the National Gas Rules

The National Gas Rules are amended as set out in Schedule 1.

Schedule 1 Amendment to the National Gas Rules

(Clause 3)

[1] Rule 200 Definitions

In rule 200, insert the following definitions in alphabetical order:

adjusted authorised MDQ means, for a Market Participant on any gas day, the Market Participant's authorised MDQ entitlements as set out under rule 327A(1) adjusted to take account of the authorised MDQ entitlements it has traded with other Market Participants for that gas day in accordance with the portfolio right trading procedures and any associated diversity factors.

adjusted AMDQ credit means, for a Market Participant on any gas day, the Market Participant's AMDQ credit adjusted to take account of the AMDQ credit entitlements it has traded with other Market Participants for that gas day in accordance with the portfolio right trading procedures and any associated diversity factors.

diversity factor means, in respect of authorised MDQ or AMDQ credit associated with a specified system point, a factor determined by AEMO by reference to the expected gas consumption at that system point.

portfolio right trading procedures means the Procedures made under rule 331A.

[2] Rule 200 Definitions

In rule 200, omit the definition "AMDQ credit" and substitute:

AMDQ credit means the quantity of gas that a Market Participant nominates to AEMO to apply for the purposes of rule 214 or 240, being the whole or part of the quantity of an AMDQ credit certificate issued to that Market Participant.

[3] Rule 200 Definitions

In rule 200, omit the definition "AMIQ or Authorised Maximum Interval Quantity" and substitute:

AMIQ or Authorised Maximum Interval Quantity means the quantity of adjusted authorised MDQ or adjusted AMDQ credit used in the determination of uplift payments for a Market Participant for each scheduling interval of the gas day, as determined in accordance with the uplift payment procedures.

[4] Rule 200 Definitions

In rule 200, omit the definition "authorised MDQ" and substitute:

authorised MDQ means a quantity of gas, expressed in GJ/day, which is allocated by AEMO to a Customer or a Market Participant under Division 4, Subdivision 3.

[5] Rule 211 Timing of submissions by Market Participants

In rule 211(2A)(b), the note to rule 211(2A), and rules 211(4), 211(5A), 211 (5A)(a) and 211(7), omit “authorised MDQ or AMDQ credit” and substitute “adjusted authorised MDQ or adjusted AMDQ credit”.

[6] Rule 214 Priority of bids in the scheduling process

Omit rule 214(d), and substitute:

- (d) where two or more injection bids are equally beneficial, then those injection bids that are associated with adjusted AMDQ credit or adjusted authorised MDQ should be scheduled before other injection bids that are not associated with adjusted AMDQ credit or adjusted authorised MDQ; and

[7] Rule 214 Priority of bids in the scheduling process

Omit rule 214(e), and substitute:

- (e) where two or more withdrawal bids are equally beneficial, then those withdrawal bids that are associated with adjusted AMDQ credit or adjusted authorised MDQ should be scheduled before other withdrawal bids that are not associated with adjusted AMDQ credit or adjusted authorised MDQ.

[8] Rule 239 Rule 239

Omit rule 239(2), and substitute:

- (2) If adjusted authorised MDQ or adjusted AMDQ credit has been nominated as a hedge against uplift payments, scheduled injections supporting the nominated adjusted authorised MDQ or adjusted AMDQ credit do not qualify for ancillary payments.

[9] Rule 240 Uplift payments

Omit rule 240(3)(c), and substitute:

- (c) adjusted authorised MDQ of that Market Participant;

[10] Rule 240 Uplift payments

Omit rule 240(3)(d), and substitute:

- (d) adjusted AMDQ credit of that Market Participant;

[11] Rule 240 Uplift payments

Omit rule 240(3)(e), and substitute:

- (e) scheduled injections from close proximity injection points to a system injection point associated with adjusted authorised MDQ or adjusted AMDQ credit;

[12] New rule 327A Rights associated with authorised MDQ and AMDQ credit certificates

After rule 327 insert:

327A Rights associated with authorised MDQ and AMDQ credit certificates

- (1) A Market Participant who:
 - (a) is identified in the metering register as the Market Participant responsible for settling accounts relating to a tariff D withdrawal point with allocated authorised MDQ;
 - (b) has authorised MDQ allocated to it under this Subdivision in relation to tariff V withdrawal points; or
 - (c) otherwise holds authorised MDQ or AMDQ credit certificates under this Subdivision,

is entitled to the benefits arising from the application of the relevant authorised MDQ or AMDQ credit in accordance with rules 214 and 240.

- (2) If curtailment is required, the quantity of authorised MDQ or AMDQ credits allocated to Customers is to be taken into account subject to and in accordance with rule 343(2).
- (3) A person that has acquired authorised MDQ or AMDQ credit certificates in accordance with this Subdivision may transfer the whole or a part of its authorised MDQ or AMDQ credit certificates to another person in accordance with the AMDQ transfer procedures.
- (4) A Market Participant may transfer to another Market Participant an entitlement to the benefits referred to in subrule (1) associated with a quantity of authorised MDQ or AMDQ credit (without transferring the

authorised MDQ or related AMDQ certificates themselves) in accordance with the portfolio right trading procedures.

[13] Rule 331 Transfer of authorised MDQ or AMDQ credit certificates

Omit rule 331 and the heading and substitute:

331 AMDQ transfer procedures

AEMO must make Procedures (**AMDQ transfer procedures**) for the transfer of authorised MDQ or AMDQ credit certificates between parties.

[14] New rule 331A Portfolio right trading procedures

After rule 331 insert:

331A Portfolio right trading procedures

AEMO must make Procedures (**portfolio right trading procedures**) for the transfer of entitlements to the benefits associated with a quantity of authorised MDQ or AMDQ credit between Market Participants.

[15] Rule 332 Relinquishment of authorised MDQ or AMDQ credit certificate

In rules 332(1), 332(2) and 332(2)(b), omit “rule 331” and substitute “rule 327A(3)”.
