



29 January 2016

Anne Pearson
Senior Director
Australian Energy Market Commission
Level 6, 201 Elizabeth Street
Sydney NSW 2000

Lodged via www.aemc.gov.au

Dear Ms Pearson,

RE: DWGM AMDQ Allocation (Ref GRC0029)

GDF SUEZ Australian Energy (GDFSAE) appreciates the opportunity to comment on the Australian Energy Market Commission (AEMC) Draft Determination on the proposed National Gas Rules change to the Declared Wholesale Gas Market Authorised Maximum Daily Quantity (MDQ) and AMDQ credit certificates (AMDQcc) allocation arrangements.

GDFSAE agrees that the current gas rules are unclear in describing how authorised MDQ and AMDQcc should be established and allocated by the Australian Energy Market Operator and APA Gas Net. As outlined in the draft determination, this has resulted in the Australian Energy Market Operator and APA Gas Net establishing processes that are not entirely consistent with the gas rules. Clearly it is desirable that the gas rules establish well-defined principles that can then be interpreted and implemented by the relevant agencies.

GDFSAE supports the “non-controversial” aspects of the draft determination which clarify the type of instrument created for extensions of the Victorian declared transmission system, and provide that the Australian Energy Market Operator would be required to use the proceeds from the allocation process to offset the operating costs of the Declared Wholesale Gas Market. GDFSAE supports these changes as it is expected that this will improve the clarity and transparency of the authorised MDQ and AMDQcc allocation process.

GDFSAE also supports the aspects of the draft determination which relate to the party responsible for undertaking the allocation process for market benefit instruments. The changes would clarify the Australian Energy Market Operator as responsible for the allocation of all authorised MDQ, as well as for the allocation of AMDQcc created through expansions which are included in either the opening capital base or the approved capital expenditure for an access arrangement period.

These changes would result in greater clarity in respect of the party responsible for undertaking the allocation process. The proposed changes would also improve the efficiency of the allocation process by

GDF SUEZ Australian Energy

Level 33, Rialto South Tower, 525 Collins Street
Melbourne, Victoria 3000, Australia
Tel. +61 3 9617 8400 Fax +61 3 9617 8401
www.gdfsuezau.com

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better alignment of the terms of the AMDQcc with the term of the access arrangement period, and unbundling from the pre-payment of the reference tariff on transportation services.

GDFSAE trusts that the comments provided in this response are of assistance to the AEMC in its deliberations. Should you wish to discuss any aspects of this submission, please do not hesitate to contact me on, telephone, 03 9617 8331.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Chris Deague".

Chris Deague
Wholesale Regulations Manager