

Correction of data in Victorian Declared Wholesale Gas Market background paper

Information about incorrect data in background paper

The Australian Energy Market Commission (AEMC) has corrected uplift payment data that was published in the Victorian Declared Wholesale Gas Market (DWGM) background paper.

Background

On 5 November 2018, the AEMC received three rule change requests from the Victorian Minister for Energy, Environment and Climate Change, seeking to amend the National Gas Rules (NGR) by:

- introducing a simpler wholesale gas price for the DWGM (*DWGM simpler wholesale price*)
- establishing a forward trading exchange in the DWGM (*DWGM forward trading market*)
- improving the allocation and trading of pipeline capacity rights (*DWGM improvements to AMDQ regime*).

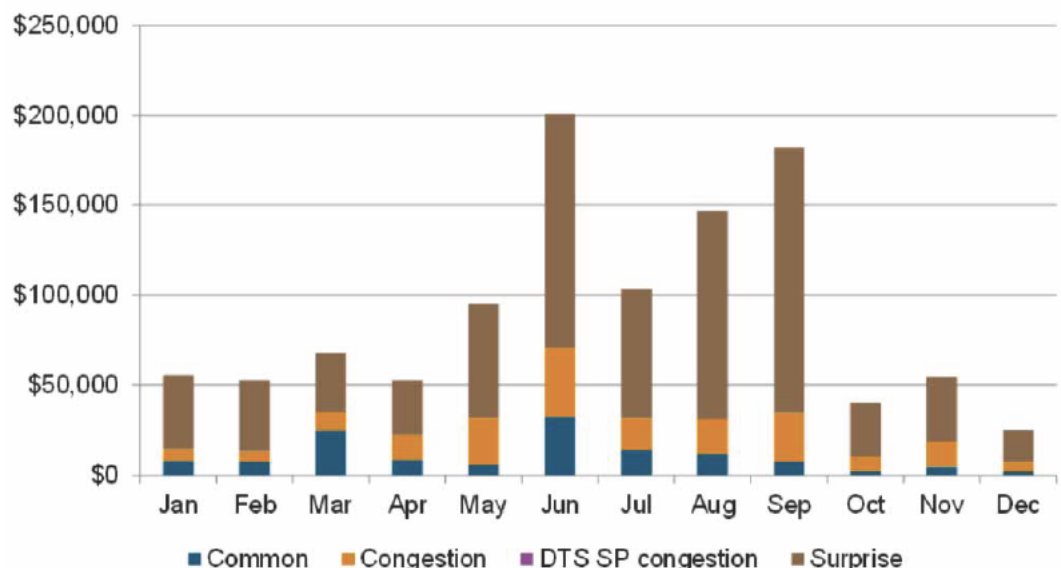
The AEMC also decided to combine the first of these rule changes, relating to the simpler wholesale price, with an earlier rule change submitted by the Australian Energy Market Operator (AEMO), on behalf of EnergyAustralia.

Three consultation papers were published on 14 March 2019. As the rule changes are interrelated, and to avoid duplication across the three consultation papers, the AEMC also published a DWGM background paper on 14 March 2019.

Incorrect data

The background paper included incorrect information on the value of uplift payments in 2018. The background paper included Figure 1 below (Figure 3.2 in the background paper) and text on page 16 stating that the total amount of uplift payments in 2018 was \$1.08 million and uplift payments varied across the year, with \$200,000 in June 2018 and \$25,000 in December 2018.

Figure 1 - Incorrect value of uplift payments by type in 2018 in background paper

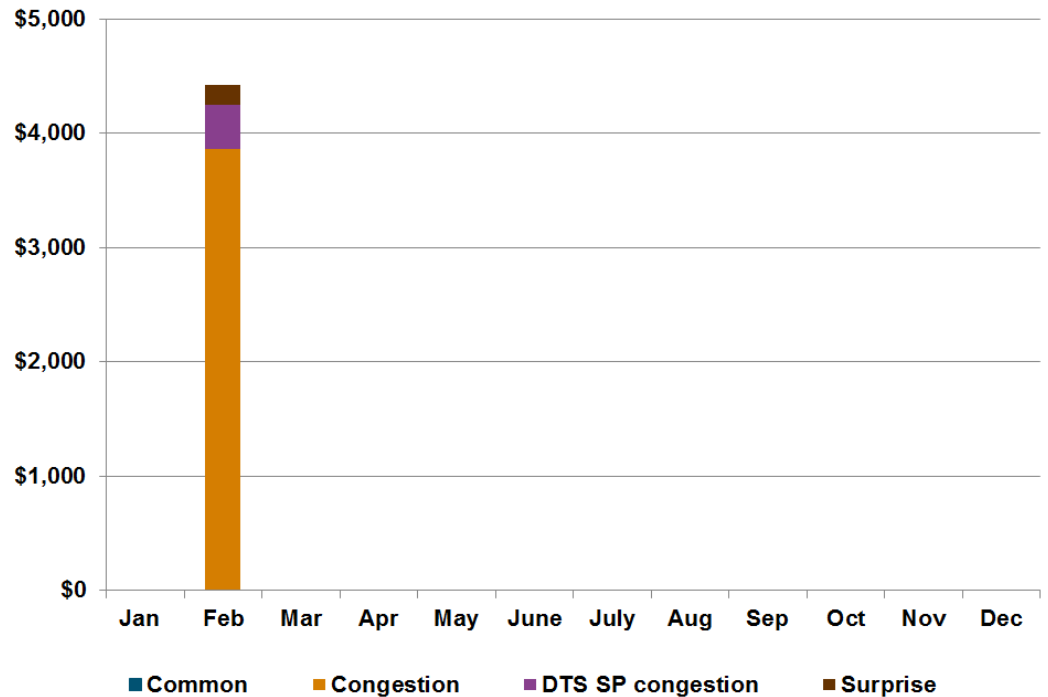


These figures did not properly account for uplift amounts. Negative uplift amounts, that reflect uplift payments from the market to market participants, were included when they should not have been. The figures should have only included positive uplift amounts, that reflect charges from market participants to the market, as shown below in Figure 2.

Corrected data

The correct value of uplift payments in 2018 was \$4,427. The figure below shows the correct amount of uplift payments by type in 2018.

Figure 2 - Correct value of uplift payments by type in 2018



The *DWGM simpler wholesale price* draft determination includes information on the amount of uplift payments by type in 2017, 2018 and the first half of 2019. This is outlined on pages 4 and 5.

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