



Draft National Gas Amendment (Matched allocation process in the STTM) Rule 2015 No.

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 2000 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 (Matched allocation process in the STTM) Rule 2015 No.

1 Title of Rule

This Rule is the Draft *National Gas Amendment (Matched allocation process in the STTM) Rule 2015 No.*

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.

4 Savings and Transitional Amendments to the National Gas Rules

The National Gas Rules are amended as set out in Schedule 2.

Schedule 1 Amendment to the National Gas Rules

(Clause 3)

[1] Rule 364 Definitions

In rule 364, insert the following definitions in alphabetical order:

Jemena means Jemena Gas Networks (NSW) Limited (ABN 87 003 004 322) or its successor as the STTM distributor for the STTM distribution system at the Sydney hub.

matched allocation quantity means a quantity of natural gas allocated in respect of a gas day in accordance with a registered matched allocation agreement:

- (a) to a contract holder for a facility service for the delivery of natural gas to the Sydney hub, being a quantity that is matched with an equal quantity allocated to:
 - (i) a contract holder for a distribution service for the withdrawal of gas from the Sydney hub; or
 - (ii) the STTM distributor for the Sydney hub; or
- (b) to:
 - (i) a contract holder for a distribution service for the withdrawal of natural gas from the Sydney hub; or
 - (ii) the STTM distributor for the Sydney hub,

being a quantity that is matched with an equal quantity allocated to a contract holder for a facility service for the delivery of natural gas to the Sydney hub.

Note

To the extent that a quantity of natural gas is supplied to or withdrawn from a hub for the purposes of a registered matched allocation agreement, but is not matched as indicated in this definition, it will not be a matched allocation quantity and must therefore be supplied through the STTM.

matched allocation agreement means an agreement between Jemena, one or more STTM pipeline operators and one or more STTM Shippers providing for the matched allocation of quantities of natural gas purchased by Jemena to meet the operational requirements for its STTM distribution system at the Sydney hub.

[2] Rule 372 Sydney hub

In rule 372, omit "Jemena Gas Networks (NSW) Ltd (ACN 003 004 322)" and substitute "Jemena".

[3] New Rule 500A Matched allocation agreements

After rule 500, insert:

Division 14 Matched allocation agreements

500A Matched allocation agreements

- (1) In respect of any matched allocation agreement that the parties wish to be registered under this rule, Jemena must give to AEMO a copy of the matched allocation agreement as soon as practicable after that agreement is entered into.
- (2) If required by AEMO, any party to a matched allocation agreement given to AEMO under subrule (1) must give to AEMO any additional information AEMO reasonably requires to satisfy itself that:
 - (a) the matched allocation agreement provides for an agreed or determinable quantity of natural gas withdrawn from the Sydney hub to be exactly matched with a quantity allocated to one or more facility services, without applying the allocation methodology that is generally applicable to the relevant STTM pipeline or STTM distribution system; and
 - (b) any quantity that is:
 - (i) withdrawn from the Sydney hub for the purposes of the agreement in excess of the quantity allocated under subrule (a); or
 - (ii) supplied to the Sydney hub for the purposes of the agreement in excess of the quantity withdrawn under that agreement,will be allocated to relevant trading rights of the parties in accordance with Division 7, and will not materially affect the allocation of quantities to other Trading Participants.
- (3) A registered matched allocation agreement must not be amended or its term extended (whether or not that extension is contemplated in the agreement) without the prior approval of AEMO.

Note

AEMC intends to recommend to the COAG Energy Council that this subrule is classified as a conduct provision under the National Gas (South Australia) Regulations.

- (4) If AEMO is satisfied that:
 - (a) a matched allocation agreement given to it under subrule (1); or

- (b) a proposed amendment or extension of a registered matched allocation agreement,

meets the requirements in subrule (2), AEMO must register the matched allocation agreement, or approve the amendment or extension, as applicable.

Note

A quantity of natural gas supplied to or withdrawn from a hub cannot be treated as a matched allocation quantity unless the matched allocation agreement is registered by AEMO.

- (5) For the purpose of section 91BRD of the NGL, Jemena is exempted from registration under Part 15A in respect of its withdrawal of matched allocation quantities under a registered matched allocation agreement.
- (6) AEMO may revoke the registration of a registered matched allocation agreement if at any time:
 - (a) a party to that registered matched allocation agreement does not comply with a provision of this rule 500A; or
 - (b) AEMO determines that the registered matched allocation agreement no longer meets the requirements of subrule (2).
- (7) If a registered matched allocation agreement is terminated in accordance with its terms, the registration of that agreement expires automatically.

500B Exclusion of matched allocation quantities

- (1) Despite anything in rule 406, a Trading Participant is not required to include an expected matched allocation quantity in any ex ante offer, ex ante bid or price taker bid.
- (2) An STTM facility operator must exclude from a quantity notified to AEMO under rule 414(1) for a gas day, any matched allocation quantity that the STTM facility operator expects to be supplied to the Sydney hub using the STTM facility on that gas day.
- (3) An STTM pipeline operator that is a party to a registered matched allocation agreement must ensure that the allocation agent does not include any matched allocation quantity in an STTM facility allocation for the relevant STTM pipeline.
- (4) If requested by AEMO, an STTM facility operator must provide a report to AEMO of the matched allocation quantities used under subrule (2) on a gas day or range of gas days.
- (5) Within 30 business days after the end of each calendar quarter, each allocation agent referred to in subrule (3) must provide a report to AEMO

of the matched allocation quantities determined for the relevant STTM pipeline on each gas day during that quarter.

Schedule 2 Savings and Transitional Amendments to the National Gas Rules

(Clause 4)

[1] Schedule 1 Transitional Provisions

In Schedule 1, Part 3, omit the definitions of "Jemena", "matched allocation quantity" and "registered matched allocation agreement".

[2] Schedule 1 Transitional Provisions

In Schedule 1, Part 3, omit rule 26 and substitute:

26 Matched allocation agreements

- (1) In this clause 26, "Amending Rule commencement date" means the date the National Gas Amendment (Matched allocation process in the STTM) Rule 2015 commences operation.
- (2) Any matched allocation agreement that is registered with AEMO immediately prior to the Amending Rule commencement date is deemed to have been registered by AEMO under rule 500A.

[3] Schedule 1 Transitional Provisions

In Schedule 1, Part 3, omit rule 27 in its entirety, including the rule heading, and insert "[Deleted]".
