DWGM DISTRIBUTION CONNECTED FACILITIES

stakeholder feedback template

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in the consultation paper and any other issues that they would like to provide feedback on. The AEMC encourages stakeholders to use this template to assist it to consider 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.

SUBMITTER DETAILS

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| **ORGANISATION:** |  |
| **CONTACT NAME:** |  |
| **EMAIL:** |  |
| **PHONE:** |  |
| **DATE** |  |

project DETAILS

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| **NAME OF RULE CHANGE:** | DWGM distribution connected facilities |
| **PROJECT CODE:** | GRC0062 |
| **PROPONENT:** | Victorian Minister for Energy, Environment and Climate Change |
| **SUBMISSION DUE DATE:** | 2 December 2021 |

**CHAPTER 4** – assessment framework

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| 1. Is the proposed assessment framework appropriate for considering the proponents rule change request? |  |
| 1. Are there any other relevant considerations that should be included in the assessment framework? |  |

**CHAPTER 6** – market operations

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| **FACILITY REGISTRATION** | |
| 1. Should the existing definitions be expanded to include distribution connected facilities? |  |
| 1. Alternatively, should a new participant category be introduced to account for distribution connected facilities? |  |
| **REQUIREMENT TO SUBMIT BIDS AND GAS SCHEDULING** | |
| 1. Should all bidding rules be updated to allow distribution connected facilities to bid into the market? If not, why? |  |
| 1. Should all scheduling rules be updated to allow injections into the declared distribution system to be scheduled? If not, why? |  |
| **DEMAND FORECAST** | |
| 1. Should the demand forecast definition be amended to include all gas consumed from distribution and transmission systems within a declared system? |  |
| 1. If not, is there an alternative solution that would maintain the existing NGR gas demand forecast definition? |  |
| **DETERMINATION OF MARKET PRICE** | |
| 1. Should distribution connected facilities’ constraints be treated consistently with transmission injection facilities and excluded from the pricing schedule? If not, why? |  |
| **OPERATING SCHEDULES** | |
| 1. Should the existing design be maintained with distribution networks managing the constraint issues outside of the DWGM? |  |
| 1. Should the operating schedules be expanded to allow distribution constraints within the operating schedule?    1. In this case, what compliance liability considerations need to be made for distribution connected facilities? |  |
| 1. Should a new constraint type be added for distribution connected facilities that is managed by the gas scheduling process? |  |
| **CAPACITY CERTIFICATES** | |
| 1. Should distribution connected facilities be allocated capacity certificates for tie-breaking rights? Why? |  |
| 1. What would be the implications of modelling the capacity of potentially a high number of distribution connected injection points? |  |

**CHAPTER 7** – market outcomes

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| **TITLE, CUSTODY AND RISK** | |
| 1. Do the rules need to be changed to manage the title of injections within the distribution system? |  |
| 1. Do the rules need to contemplate the co-mingling of gas within a distribution system? If not, why? |  |
| **PARTICIPANT COMPENSATION FUND** | |
| 1. Should the participant compensation fund cost recovery mechanism be expanded to include distribution connected facilities? If not, why? |  |
| **ALLOCATIONS AND DETERMINATION OF FEES PAYABLE** | |
| 1. Should the definition of what gas can be allocated be expanded to include gas supplied by distribution connected facilities? |  |
| 1. Are there other alternative solutions that would be more effective? |  |
| **DEFAULT NOTICES AND MARKET SUSPENSION** | |
| 1. Should the rules be expanded to include distribution connected facilities for default notices? If not, why? |  |
| 1. Should the rules be expanded to include distribution connected facilities for market suspension? If not, why? |  |

**CHAPTER 8** – SYSTEM OPERATIONS

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| **APPLICATION OF THE CONNECTIONS FRAMEWORK** | | |
| 1. Should the connections’ framework be expanded to cover distribution injections? If not, why? |  | |
| 1. If so, what considerations should be accounted for in the transitional wording? |  | |
| 1. Who should the party responsible for assessing and approving connections into the distribution system? |  | |
| 1. Is the separation of connection agreements before 15 March 1999 with those made after still relevant within the NGR? |  | |
| **OBLIGATIONS OF THE DECLARED SYSTEM SERVICE PROVIDERS** | | |
| 1. How should the rules be amended to include obligations for DDS service providers?    1. Where should these obligations sit in the rules? |  | |
| 1. If so, are there any additional considerations that are needed for the declared distribution systems? |  | |
| **AEMO’S OBLIGATIONS IN ASSESSING AND APPROVING CONNECTIONS** | | |
| 1. Are the declared distribution system service providers the most appropriate party to facilitate connections into the declared distribution system? Why? |  | |
| 1. Should AEMO have an active role in assessing and approving connections for distribution connected facilities? Why? |  | |
| **CONNECTED PARTIES' OBLIGATIONS** | | |
| 1. Should the rules be expanded to enforce compliance from distribution connected facilities regarding their connection agreements? |  |
| 1. Are there any alternative solutions that would be more effective? |  |
| **GAS QUALITY** | | |
| 1. Who should be responsible for the management of the gas specification within the distribution system? |  | |
| 1. What is the most appropriate instrument for the gas quality monitoring requirements:    1. The rules?    2. AEMO guidelines or procedures?    3. Another instrument? |  | |
| 1. Should the declared distribution service providers and Energy Safe Victoria be the parties responsible for continued monitoring of the network and compliance respectively? If not, Why? |  | |
| 1. Should the rules consider alternative gasses, such as hydrogen, within the gas quality monitoring rules? |  | |
| **METERING** | | |
| 1. Should the rules be amended to cover metering accuracy requirements for distribution connected facilities? |  | |
| 1. Should the rules be amended to allow distribution connected facilities to provide their own compliant metering? |  | |
| 1. Are there any other distribution connected facilities metering related issues that should be included in the rules? |  | |
| **THREATS AND INTERVENTIONS** | | |
| 1. Is it necessary to expand AEMO's powers to be consistent with DTS connected facilities given the broad powers currently in the rules? |  | |
| 1. Should distribution connected facilities be able to claim compensation for losses incurred for injections required during an intervention? |  | |

**CHAPTER 9** – other issues

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| **ALTERNATIVE SOLUTION 1 – SUPPLY FROM DISTRIBUTON CONNECTED FACILITIES MANAGED CONTRACTUALLY** | |
| 1. Is there merit in further exploring this proposed solution? |  |
| 1. Are there any aspects of this solution that should be incorporated into the proposed solution? |  |
| **ALTERNATIVE SOLUTION 2 – SUPPLY FROM DISTRIBUTON CONNECTED FACILITIES MANAGED AS NEGATIVE DEMAND** | |
| 1. Is there merit in further exploring this proposed solution? |  |
| 1. Are there any aspects of this solution that should be incorporated into the proposed solution? |  |
| **MATERIALITY THRESHOLD** | |
| 1. Should this rule change consider including a materiality threshold in the rules? |  |
| 1. Should a reduced set of bidding requirements be applied to distribution connected facilities that do not meet the current bid size of 1 GJ? |  |
| 1. Do the rules provide a barrier to bidding quantities of gas smaller than 1 GJ? |  |
| 1. What are the impacts and costs associated with updating the bidding system to accommodate decimal GJ bids? |  |
| **SCHEDULING INTERVALS** |  |
| 1. Should this rule change consider changing the current scheduling intervals or is this an issue that should be addressed in a separate rule change process? |  |
| **EXPECTED COSTS, BENEFITS, AND IMPACTS OF THE PROPOSAL** | |
| 1. What are the expected costs associated with the proposed changes for:    1. existing market participants?    2. new market participants that would fit into the distribution connected facility category?    3. AEMO? |  |
| 1. How would these costs be recovered under the existing regulatory framework? |  |
| 1. What are the impacts of the proposed solution and the "do nothing" scenario? |  |
| 1. Is the proponent's assertion that the long term costs of inaction are greater than the costs associated with the proposed solution correct? |  |
| **IMPACT ON CONTRACTS MARKET** | |
| 1. What considerations need to be given to the contracts market when integrating distribution connected facilities into the DWGM? |  |