



Day Ahead Auction

Record Keeping Guideline

November 2018

Effective on 1 March 2019

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Glossary

Shortened form	Extended form
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
CTP	Capacity Trading Platform
CBU	Contracted but Un nominated
DAA	Capacity Day Ahead Auction
Facility operator	Auction Facility Operator
Guideline	Nominations and Scheduling Records Guidelines and Renomination Records Guideline (together, the Record Keeping Guideline)
Information Standard	Part 24 Information standard
NGL	National Gas Law
NGO	National Gas Objective
NGR	National Gas Clauses
Renomination records	Contemporaneous Renomination Records
RKG	Record Keeping Guideline
Shipper	Transportation Facility User
TFSR	Transitional Firm Service Rights

1. Introduction

The National Gas Rules (NGR) require the Australian Energy Regulator (AER) to develop and publish Nomination and Scheduling Records Guidelines and Renomination Records Guidelines¹ (together, “Record Keeping Guideline” or “Guideline”). This document is our **Guideline**.

1.1 Purpose of this Guideline

The purpose of this Guideline is to set out the manner and form in which auction facility operators and transportation facility users must make, maintain and keep data and information. This Guideline also sets out when the AER will request this data to assess compliance with the NGR and National Gas Law (NGL) and discuss how we will treat confidential information.

We note that, in addition to setting the manner and form in which affected parties must keep records under Part 25 of the NGR, this Guideline also includes discussion of the relevant obligations in the NGR as to when records must be kept, and what must be recorded. However, this Guideline is not a substitute for the NGR. In the event of any inconsistency between this Guideline and the NGR, the NGR prevail.

Clause 665(1) requires that a *facility operator* make, maintain and keep nomination, renomination and scheduling information in *nomination and scheduling records*. The AER is required under the NGR to publish guidelines as to the matters to be included in records, including certain mandatory fields, and also the manner in which the records are to be made and kept.² This document constitutes those guidelines.

Clauses 666(1), (2) and (3) require that a *transportation facility user* make, maintain and keep a contemporaneous record of material renominations (renomination records) of firm or auctions services.³ The AER is required under the NGR to set out through this Guideline the manner and form in which the *renomination* records are to be kept (including through contemporaneous records)⁴. Under clause 666(5)(b), the AER is also required to develop guidelines for handling confidentiality claims.

¹ NGR, cl. 665(3) and cl 666 (5).

² NGR, cl. 665 (2) and (3).

³ In relation to firm services, the requirements relate to all transportation services taken into account in the calculation of the auction quantity limit which can for example also include transitional firm services if registered.

⁴ NGR, cl. 666(4) and cl 666(5).

The AER is empowered under clauses 665(6) and 666(4) of the NGR to require the provision of records which are kept by facility operators and transportation facility users in accordance with and the NGR and this Guideline.

1.2 Roles and functions of the AER

The AER's general functions and powers, in respect of monitoring and enforcement of compliance with the NGR and the NGL, are outlined in section 27 of the NGL.

Our functions for the Day Ahead Auction (DAA) include:

- monitoring day-ahead nominations, renominations and activity in the capacity auction to ensure that transportation service providers, auction participants and transportation facility users comply with the DAA market conduct and nomination rules;⁵
- certifying the existence of Transitional Firm Service Rights (TFSR) for an auction day for the first 2 years of the market;⁶
- monitoring day ahead nominations, renominations and the capacity auction to ensure compliance;⁷ and
- monitoring compliance with other parts of Part 25 of the NGR including submission of data and information in accordance with the *Part 24 information standard* (discussed below) and adherence to the *auction service priority principles*.⁸

We are committed to ensuring industry compliance with the NGR to build confidence in the DAA. The AER will work cooperatively with shippers and service providers to help them understand their record keeping obligations and to ensure Part 25 compliance generally.

The AER will monitor, investigate and enforce compliance with the NGL and NGR in relation to the DAA from the *capacity auction start date* in each participating jurisdiction.

⁵ NGR, cl. 664(1).

⁶ NGR Schedule 5, Pt 4, cl 5.

⁷ NGR, cl. 664(1).

⁸ The auction service priority principles are set out in the NGR in clause 651.

Our *Compliance and Enforcement - Statement of Approach* available on our website⁹. It details our approach to compliance, the enforcement options available to us and sets out the criteria we apply when exercising our discretion regarding enforcement action. Matters are assessed on a case-by-case basis, with all relevant circumstances being considered, including those outlined in our Statement of Approach.

We anticipate that further information on our compliance and monitoring approach will be provided on our website prior to the commencement of the capacity auction through an **AER Guidance Note for the Capacity Auction Record Keeping Reform**.

1.3 Records must comply with the information standard

Clause 649(1) requires that a *facility operator* and *transportation facility user* comply with the *Part 24 information standard* when making, preparing and submitting records and any information or data provided to the AER. We expect that records, information and data provided to the AER is at a standard that reflects 'Good Gas Industry Practice'.

1.4 Process for Guideline revision

Clause 665(3) allows the AER to amend the Guideline from time to time in accordance with the requirements of the NGR. We will review and amend the Guideline as we consider appropriate. A version number and effective date of issue will identify every version of the Guideline.

The AER is not required to comply with the standard consultative procedure in developing the initial Guideline.¹⁰ However, subsequent revisions to the Guideline will be made in accordance with the standard consultative procedure.¹¹

1.5 Definitions and interpretation

In this Guideline, the words and phrases presented in italics have the meaning given to them in either the glossary, or if not defined in the glossary, the NGR or NGL.

⁹ <https://www.aer.gov.au/publications/corporate-documents/aer-compliance-and-enforcement-statement-of-approach>

¹⁰ NGR, schedule 5, cl. 4(4).

¹¹ NGR, cl. 665(4).

1.6 Monitoring Framework and this Guideline

As indicated in **Schedule 3**, the AER's information requests to monitor the market conduct rules will not solely rely on clauses 665(6) and 666(4) and the Guideline. In particular, we may seek information on renominations which are not material renominations as defined in clause 666(2) where nevertheless we are concerned as to compliance with the market conduct rules under our general power in section 42 of the NGL. We may use this power to obtain documents relating to the performance of our functions.

2 Facility Operators

2.1 Reporting requirements

Clause 665(1) requires a *facility operator* to make and maintain *nomination*, *renomination* and scheduling records for each of their auction facilities and record:

- Day-ahead nominations for the use of the *auction facility* (including deemed or default nominations) made prior to the nomination cut-off time, which will include information on the quantity nominated and the time the day-ahead nomination was made;
- Renominations that occur following nomination cut-off time, which will include information on the quantity renominated and the time the *renomination* was made; and
- The scheduled quantity for each service provided by means of the facility.

The *nomination and scheduling records* must set out the:

- gas day;
- *transportation facility user*;
- *auction facility*; and
- *transportation service*.¹²

Clause 665(6) allows the AER to obtain *nomination and scheduling records* from facility operators at any time, upon written request.

2.2 Transitional obligations during the first two years

The following record keeping obligations relating to TFSR will be applicable during the *transitional period*. A *facility operator*, in its *nomination and scheduling records*, is to provide for the separate identification of:

- a. each *transitional firm quantity* and the market generating unit to which the *transitional firm quantity* was supplied; and
- b. any *renomination* of the *transitional firm service* that occurred after the *nomination cut-off time* that reduced the *transitional firm quantity*, or resulted in any part of the *transitional firm quantity* used in the calculation of an auction quantity limit being supplied other than:

¹² NGR, cl. 665(2).

- for consumption by a *market generating unit*, or
- another *transportation facility* for onward transport to a *market generating unit*.¹³

The form of reporting these transitional obligations is set out in Table 2, in the following section.

2.3 Form of nomination and scheduling records

Nomination and scheduling records must be kept such that they can be submitted to the AER in an excel spreadsheet. *Nomination and scheduling records* must include the reporting fields specified in Table 1. During the *transitional period*, *nomination and scheduling records* must also include the information set out in Table 2.

An example of how this information can be captured in *nomination and scheduling records* is outlined in **Schedule 1**. Facility operators may keep *nomination and scheduling records* differently to what is set out in Schedule 1, provided that the record still contains the reporting fields in Table 1 and the record captures all the information in the description field in Table 1.

For example, it is permissible to record nominations and renominations for receipt and delivery points for a transportation service in a number of separate rows, rather than in a single row, where there are multiple receipt points and delivery points for the same transportation service. It is also permissible to describe the transportation service over two columns if systems are better suited to identifying a service as forward haul, backhaul or compression (type of service), separately to identifying the service as a firm, as available, or auction service (priority of service).

Table 1

Reporting Field	Description
Gas day	The gas date for which the nomination or renomination is made. Expressed as: day-month-year (DD/MM/YYYY).
Time	The time, in 24 hour format: HH:MM The time should be in Australian Eastern Standard Time

¹³ NGR Schedule 5, Pt 4, cl 11(3).

Transportation facility user	The name of the shipper
Auction facility	The name of the pipeline or compression station
Transportation service	A description of the type of transportation product. This should include: <ul style="list-style-type: none"> • firm forward haul, • as available, • backhaul, and • auction
Scheduled quantity	Must be expressed in GJ
Day-ahead nomination(s) and Renomination(s)	Must be expressed in GJ Do not need to include nominations of 0 GJ that have not been renominated Do not include all requested nominations by shippers, only nominations that are approved and scheduled.
Receipt	Name of the receipt point location
Delivery	Name of the delivery point location
Renomination Count	The number of times a renomination occurs once final nominations and auction quantities have been decided. For example, if a shipper's final firm nomination used in the auction is 10 000 GJ but it subsequently renominates 20 000 GJ and then renominates again to 15 000GJ, the renomination count is 2.

Table 2. Transitional obligations related to TFSR

Transitional firm quantity	Must be expressed in GJ
Market generating unit	The name of the gas powered generator
Any renomination of transitional firm quantity	Must be flagged or identifiable

2.4 Time required to keep records

Clause 665(5) requires a *facility operator* to maintain *nomination and scheduling records* for a period of five years after the gas day to which the records relate.

2.5 Date information and data must be submitted

The AER requires that a *facility operator* give *nomination and scheduling records* to the AER by:

- a. the tenth day of each month for data from the previous month; and
- b. more urgently on written request by the AER for specified days.¹⁴

We consider that the requirement for records to be submitted by the tenth day of the following month – rather than the last day of the month or the first day of the following month – will provide facility operators the opportunity to better ensure the accuracy of *nomination and scheduling records*.

In addition to the periodic monthly requirement, we may require *nomination and scheduling records* from facility operators, for a particular day or period within the month, in certain circumstances. For example, we may require records in relation to a specific event such as a high auction price or large curtailment of auction gas.

¹⁴ NGR, cl. 665(6).

3 Transportation Facility Users

3.1 Reporting Requirements - Material Renominations

Clause 666(1) requires a *transportation facility user* to make a contemporaneous *renomination* record (renomination record) that provides a verifiable and specific reason for any material *renomination*. The AER may obtain these contemporaneous records as part of information to substantiate and verify the reasons for a material *renomination*, upon written request to the shipper.¹⁵

The contemporaneous record must specify:

- a. The material conditions and circumstances giving rise to the *renomination*;
- b. The shipper's reasons for making the *renomination*, which must be verifiable and specific;
- c. The time at which the event or other occurrence giving rise to the *renomination* occurred; and
- d. The time at which the shipper first became aware of the event or other occurrence.¹⁶

Material *renomination*

A *renomination* will be considered 'material' if the *renomination* (either alone or when taken together with other renominations by the shipper for that service) – whether before or after renomination – results in a variation of 10 per cent or more of the following:

- the last day ahead nomination received prior to nomination cut-off for services other than the auction service; or
- the initial nomination for use of the auction service.¹⁷

Two examples are provided below of renominations which result in a material *renomination* either on a stand-alone basis or when taken together with previous renominations. These could be renominations either to a receipt point quantity or delivery point quantity (or both), with the record keeping requirement applying to a variation to a receipt point or delivery point.

¹⁵ NGR, cl. 666(4).

¹⁶ NGR, cl. 666(1).

¹⁷ NGR, cl. 666(2).

Example 1 – Stand Alone

The day before the gas day, a shipper wins 100 TJ from the auction and nominates 95 TJ of capacity at nomination cut-off. On the gas day the shipper renominates downwards to 80 TJ. This is a material *renomination* as there is a variation of more than 10 per cent between the *renomination* of 80 TJ and the initial nomination of 95 TJ.

Example 2 – Taken Together

The day before the gas day, a shipper nominates 100 TJ of firm capacity at nomination cut-off. On the gas day, the shipper renominates upwards to 105 TJ and then renominates upwards again to 111 TJ. This is a material *renomination* as there is a variation of more than 10 per cent from these renominations, when taken together, from the final nomination before cut-off.

We are aware of the difficulties for some shippers' systems to identify material renominations for firm and auction services and only record reasons for these renominations. We consider in these situations that recording reasons for every renomination would be consistent with the record keeping requirement. Further, if shippers renominate without identifying whether the transportation service renominated against is firm or auction (and they nominated for both), then in order to ensure compliance with clause 666, reasons will need to be kept based on a ten per cent variation to the lower quantity service.

3.2 Provision of contemporaneous records to AER

Where the AER makes a written request to substantiate and verify a material *renomination*, we expect a contemporaneous record to be provided which includes the reporting fields and the description noted in Table 3. An example of how this record may be reported is provided in **Schedule 2**.

Shippers are able to make contemporaneous records in a manner consistent with their current systems, provided the records submitted to the AER include the reporting fields specified below. The AER considers an excel spreadsheet with this information is sufficient.

Table 3

Reporting Fields	Description
Category	May be either P for a plant or physical change, M for market

	change or E for a renomination to address an error
Gas day	The gas date for which the renomination is made. Expressed as: day-month-year (DD/MM/YYYY)
Auction facility	The name of the pipeline or compression station
Transportation service	A description of the type of transportation product. This should include, where known ¹⁸ : <ul style="list-style-type: none"> • firm • transitional firm, and • auction
HHMM1	The time, in 24 hour format, when the event(s) or other occurrence(s) took place that gave rise to the renomination May be expressed as a range. For example, ~12:30-13:00 May also reflect the same time as a decision was made to renominate The time should be in Australian Eastern Standard Time
HHMM2	The time, in 24 hour format, when the shipper first became aware of the event(s) or other occurrence(s) This may be the time a decision was made to renominate. The time should be in Australian Eastern Standard Time
DDD...DD	Is a verifiable description of the events or occurrences that explain the renomination. There is no character limit for this field

¹⁸ If a transportation service cannot be determined, please specify it is undetermined. We note the obligation for a shipper to record material renominations still remains (see under examples, 3.1)

Category field

We recognise that some *renomination* reasons may span over multiple categories. For example, a *renomination* due to a portfolio imbalance may, in turn, be due to a change in physical or plant conditions as well as a market change. For consistency purposes, renominations due to a portfolio rebalance should be classified as category M for market change.

We consider the market change category should include any change that is financial or commercial in addition to change that may be seen as 'external' from a facility's operational control, including:

- responding to a curtailment event;
- change in supply;
- change in market schedule;
- avoiding overrun charges;
- change in forecast weather or demand;
- AEMO direction; and
- AEMO event.

We consider the market change category to be wider than the category for plant or physical change which should be used to categorise changes that specifically relate to facility:

- constraints;
- testing;
- ramping capacity;
- maintenance; and
- outages.

The reasons listed under these categories are not exhaustive and may not provide a clear distinction for all other reasons. If there is doubt as to how a *renomination* should be categorised, we expect that shippers adopt a consistent practice for how they categorise the *renomination* in their contemporaneous records, and also that there is sufficient and consistent detail in the description field.

Time of event field (s)

Clauses 666(1)(c) and (d) require the time at which the event occurred leading to the material *renomination* to be specified separately from the time at which the *transportation facility user* became aware of that event.

We understand from shippers that recording a contemporaneous record of both times has the potential to add to complexity of trader contemporaneous record keeping.

Also, we understand the decision to renominate may be a decision which occurs over time in response to a number of changes and therefore expect the reporting of a time range may be common.

Noting the above, we expect:

- **HHMM2** – the time of becoming aware of an event - at a minimum, that a record is kept that reflects the time a decision was made to renominate.
- **HHMM1**– the actual time the event occurred - at a minimum, we expect either this time to be recorded as:
 - the same time as becoming aware of the event or
 - to reflect an indicative range of time over which the event or event (s) occurred e.g. 12:00 – 1300 or 6:00 – 15:00.

Furthermore, as noted above, we expect shippers to adopt a consistent practice in such situations.

By way of example, if a shipper's line pack balance is building up on an *auction facility* to a point the participant identifies it to be too high and renominates - it would be acceptable to report:

- the time this decision to renominate was made in HHMM2;
- in HHMM1, to describe an indicative time over which this change occurred; and
- a description indicating the line pack build up in the description field

Description field

Detailed *renomination* reasons in the description field will help the AER to understand, substantiate and verify the reason provided, thereby reducing the need to seek further clarification or information from shippers after the event. There will be no character or word limit in the description field so we encourage shippers to include as much information in the description field to explain the material conditions or circumstances that led to the *renomination* as part of a verifiable and specific reason for the renomination. In circumstances where there are multiple material triggers behind a *renomination*, the details of each of these triggers should be recorded.

3.3 Provision of other information to the AER

As permitted under the NGR, the AER may from time to time request further information besides the contemporaneous record, which may include:

- supporting notes
- shipper logs
- reports
- additional explanation
- emails
- correspondence with AEMO
- other communication exchange records or
- any other documentation.

However, we consider that the description field in the contemporaneous record may be detailed enough to not require this additional information to be provided with the contemporaneous record. Experience with the auction and the kinds of information being kept in contemporaneous records will dictate our approach.

3.4 Time required to keep nomination records

Clause 666(3) requires a *transportation facility user* to maintain *renomination* records for a period of five years after the gas day to which the record relates.

3.5 Date records and information must be submitted

There will be no requirement for a *transportation facility user* to submit *renomination* records periodically to the AER. The information need only be required if the AER requests it. For clarity, in contrast to the requirements under the electricity rebidding guideline, there will be no requirement for a *transportation facility user* to notify the AER when an error renomination (E) has been submitted.

4 AER's procedures for handling confidential information

In accordance with clause 666(5)(b), this Guideline is to include procedures for handling confidential information. The AER will apply the ACCC–AER Information policy: The collection, use and disclosure of information (ACCC/AER Information Policy).¹⁹ The information policy sets out the general policy of the Australian Competition and Consumer Commission and the AER on the collection, use and disclosure of information (including confidential information).

¹⁹ <https://www.aer.gov.au/system/files/ACCC-AER%20Information%20Policy%202014.pdf>.

Schedule 1: Form of nomination and scheduling records for facility operators

Example

Shipper name	Auction facility	Gas day	Nomination Time (AEST)	Transportation service	Receipt Point location	Delivery point location	Nomination (GJ)*	Scheduled Qty (GJ)	Renomination Count
Shipper 1	ABC Pipeline	DD/MM/YYYY	DD/MM/YYYY HH:MM	Firm - FH	X Receipt Point	X Delivery Point	X	X	0
Shipper 1	ABC Pipeline	DD/MM/YYYY	DD/MM/YYYY HH:MM	Backhaul	X Receipt Point	X Delivery Point	X	X	0
Shipper 1	ABC Compression	DD/MM/YYYY	DD/MM/YYYY HH:MM	Compression	X Receipt Point	X Delivery Point	X	X	0
Shipper 1	ABC Pipeline	DD/MM/YYYY	DD/MM/YYYY HH:MM	TFSR	X Receipt Point	X Power Station	X	X	0
Shipper 1	ABC Pipeline	DD/MM/YYYY	DD/MM/YYYY HH:MM	As available	X Receipt Point	X Delivery Point	X	X	0
Shipper 1	ABC Pipeline	DD/MM/YYYY	DD/MM/YYYY HH:MM	Auction service	X Receipt Point	Y Power Station	X	X	0
Shipper 2	XYZ Pipeline	31/03/2019	29/03/2019 HH:MM	Firm - FH	X Receipt Point	X Delivery Point	10 000	15 000	2
Shipper 2	XYZ Pipeline	31/03/2019	30/03/2019 HH:MM	Firm - FH	X Receipt Point	X Delivery Point	20 000	15 000	2
Shipper 2	XYZ Pipeline	31/03/2019	31/03/2019 HH:MM	Firm - FH	X Receipt Point	X Delivery Point	15 000	15 000	2
Shipper 3	ABC Pipeline	31/03/2019	30/03/2019 HH:MM	TFSR	X Receipt Point	X Power Station	X	Y	1
Shipper 3	ABC Pipeline	31/03/2019	31/03/2019 HH:MM	TFSR	X Receipt Point	X Power Station	Y	Y	1

*Do not include all requested nominations, only nominations that have been approved or scheduled

NOTE: Nominations for receipt and delivery points do not need to be reported in a single row

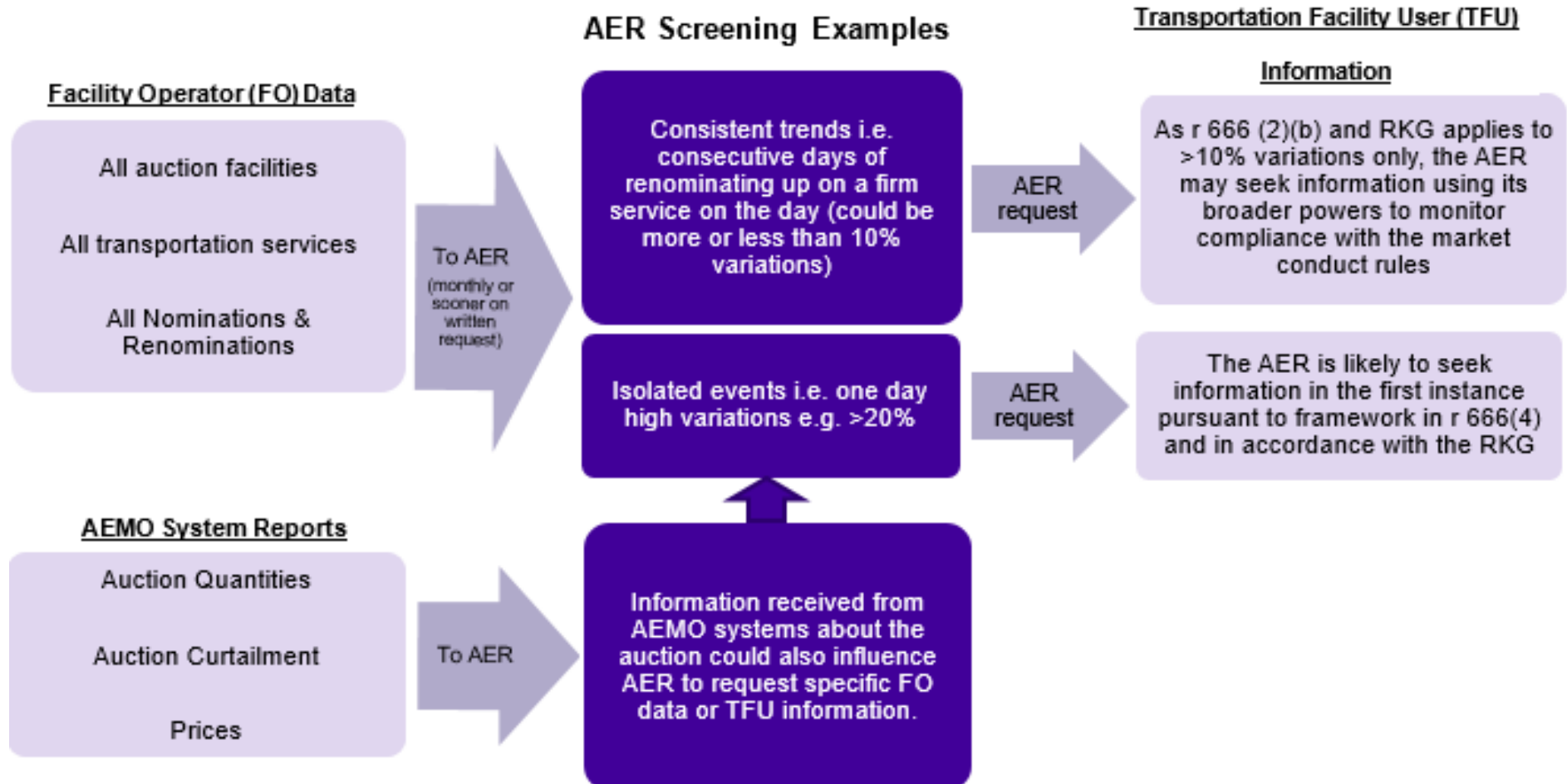
Schedule 2: Form of renomination records for shippers

Category		Gas day	Time of event (AEST)	Time shipper noticed (AEST)	Auction Facility	Transportation Service ²⁰	Reason(s) for renomination
P	Plant or physical change	DD/MM/YYYY	DD:MM HH:MM1	DD:MM HH:MM2	EGP	Auction	<ul style="list-style-type: none"> • Longford supply constrained affecting deliveries to NSW • Planned outage or maintenance on pipeline
M	Market Change	DD/MM/YYYY	DD:MM HH:MM1	DD:MM HH:MM2	MAPS	Firm - FH	<ul style="list-style-type: none"> • Ambient temperature hotter than forecast more GPG required at XX PS • AEMO direction to increase generation in SA • Change in portfolio, customer demand decline in QLD • Portfolio imbalance redistribution
E	Shipper error	DD/MM/YYYY	DD:MM HH:MM1	DD:MM HH:MM2	MSP	Firm -FH	<ul style="list-style-type: none"> • Error in Previous Rebid/Submission

²⁰ If a transportation service cannot be determined, please specify that it is undetermined. We note the obligation for a shipper to record material renominations still remains (see under examples, 3.1)

Schedule 3: Reporting and Monitoring framework

Day Ahead Auction – High Level description of reporting and monitoring framework*



*This flow diagram does not include all the information the AER may use when monitoring compliance with the market conduct rules – other sources of information would include market intelligence, Gas Bulletin Board data, and National Electricity Market data.