Gas Market Report

AUSTRALIAN ENERGY REGULATOR

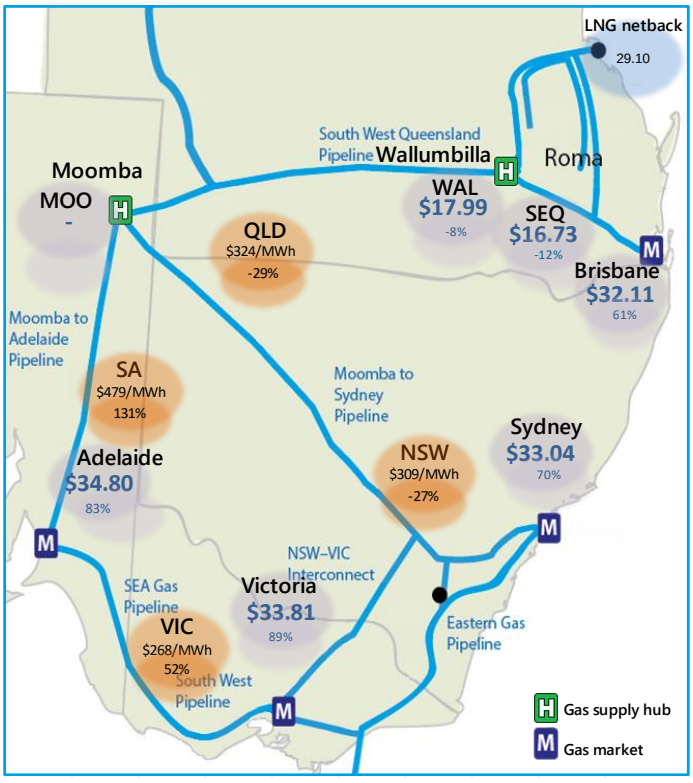
8 – 14 May 2022

Weekly Summary

Downstream wholesale gas market prices reached $30-40/GJ (marked M on the map below) and increased significantly to record highs in Adelaide, Brisbane, Sydney, and Victorian Markets (percentage change from previous week shown on map). Gas price increases coincided with higher supplies to electricity generators and LNG export facilities.

At the Wallumbilla upstream supply production hubs (marked H on the map below), the average price decreased at the WAL and SEQ trading locations with the majority of gas traded this week for delivery in later months out to Q1 2023.

Map: Gas Spot Market Prices, NEM prices (QLD/SA/NSW/VIC) and LNG Netback price*



*The LNG netback price is the 13 May 2022 assessment for the front month forward LNG netback price assessed: https://www.accc.gov.au/regulated-infrastructure/energy/gas-inquiry-2017-2025/lng-netback-price-series

Higher demand from LNG export facilities placed upward pressure on domestic gas prices. Gas flows to LNG export facilities in QLD remain elevated, averaging 3,753 TJ/day over the week (see map at section 5). Domestic gas prices increased this week near to, or above, international spot prices as shown on the map above highlighting the LNG netback price.

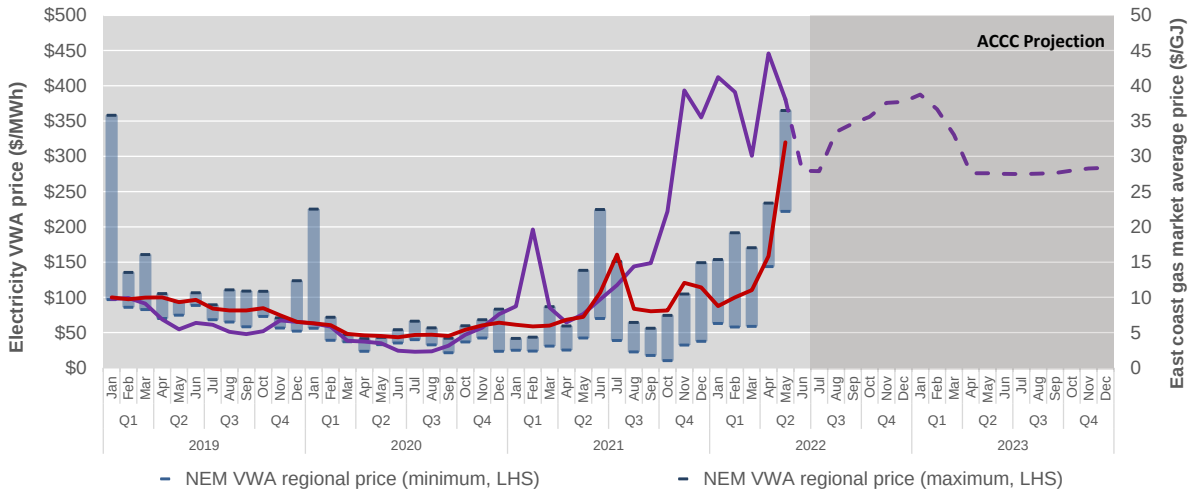
High gas prices coincided with:

- high electricity prices
- gas powered generators (GPG)/ gentailers higher priced bids to buy gas

Electricity prices averaged between $270–$480/MWh over the week (see map above). Further, electricity supply from GPG increased this week, as outages at coal powered generators persisted, reducing available electricity supply to the NEM.

A monthly trend since 2019 of gas, electricity market and LNG prices shows periods where pricing trends across markets have aligned, we will update this chart in future reports.

Summary figure 1: Domestic/ LNG netback prices (RHS), and domestic electricity prices (LHS)*



On 9 – 14 May, multiple reporting thresholds outlined in the STTM Significant Price Variation Guideline were exceeded. The AER will investigate and publish a further report on these events in or before September 2022. Our analysis below identifies drivers of these significant price variation events as a complement to this further reporting.

Summary figure 2: Significant price variation threshold breaches

Gas day	Market	D-2 provisional price ($/GJ)	D-1 ex ante price ($/GJ)	D+1 ex post price ($/GJ)	Trade weighted imbalance price ($/GJ)	Threshold breach description
9-May	Adelaide		28.00	36.00		Variation >$7/GJ between D-1 and D+1 price
	Brisbane	20.49	28.01			
10-May	Adelaide	27.54	36.00			
	Brisbane	21.91	33.00			Variation >$7/GJ between D-2 and D-1 price
	Sydney	24.79	35.83			
11-May	Adelaide	28.00	36.54			
	Brisbane	23.61	35.00			
12-May	Adelaide	30.00	39.79	48.86		Variation >$7/GJ between D-2 and D-1 price, and the D-1 and D+1 price
12-May	Victoria				53.57	Imbalance price greater than three times the previous 30 day rolling average price and ≥$15/GJ

Gas day	Market	D-2 provisional price ($/GJ)	D-1 ex ante price ($/GJ)	D+1 ex post price ($/GJ)	Trade weighted imbalance price ($/GJ)	Threshold breach description
13-May	Adelaide	29.99	40.01			
	Brisbane	23.61	38.35			Variation >$7/GJ between the D-2 and D-1 price
14-May	Adelaide	27.56	38.01			
	Brisbane	25.00	38.88			

Long term statistics and explanatory material

The AER has published an explanatory note to assist with interpreting the data presented in its weekly gas market reports. The AER also publish a range of longer term statistics on the performance of the gas sector including gas prices, production, pipeline flows and consumer demand.

Market overview

Figure 1 sets out the average daily prices ($/GJ) for the current week, and demand levels, compared to historical averages. Regions shown include the Victorian Declared Wholesale Market **(or Victorian Gas Market - VGM)** and for the Sydney **(SYD)**, Adelaide **(ADL)** and Brisbane **(BRI)** Short Term Trading Market hubs **(STTM)**.

Figure 1: Average daily prices and demand – all markets ($/GJ, TJ)[1]

	Victoria		Sydney		Adelaide		Brisbane	
	Price	Demand	Price	Demand	Price	Demand	Price	Demand
08 May - 14 May 2022	33.81	679	33.04	293	34.80	55	32.11	87
% change from previous week	89	3	70	11	83	0	61	5
21-22 financial YTD	11.01	511	11.71	248	12.00	53	11.85	85
% change from previous financial YTD	107	-1	107	0	100	-5	104	-19

Figure 2 sets out price and demand information for the voluntary Wallumbilla, South East Queensland and Moomba Gas Supply Hubs **(GSH)**.

[1] Average daily quantities are displayed for each region. The weighted average daily imbalance price applies for Victoria.

Figure 2: Average prices and total quantity – Gas Supply Hubs ($/GJ, TJ)[2]

	Moomba		South East Queensland		Wallumbilla	
	Price	Quantity	Price	Quantity	Price	Quantity
08 May - 14 May 2022	-	-	16.73	166	17.99	1746
% change from previous week	-	-	-12	98	-8	1243
21-22 financial YTD	8.62	282	11.39	3612	11.59	17307
% change from previous financial YTD	184	-17	111	-25	114	39

Figure 3 illustrates the daily prices in each gas market, as defined in figures 1 and 2.

Figure 3: Daily gas market prices ($/GJ)

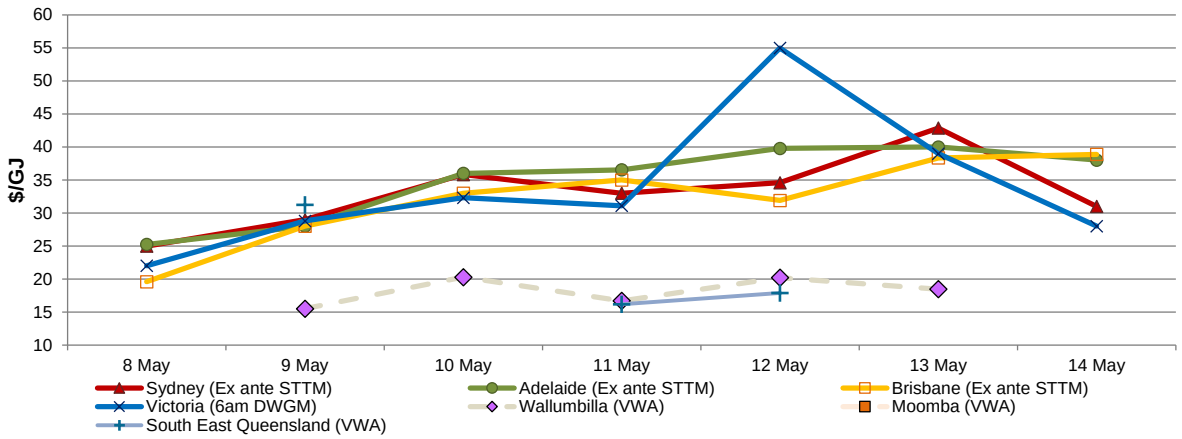


Figure 4 compares average ancillary market payments (for the VGM) and balancing gas service payments (STTM) against historical averages.

Figure 4: Average daily ancillary payments ($000)

	Victoria Ancillary Payments*	Sydney MOS	Adelaide MOS	Brisbane MOS
08 May - 14 May 2022	-	28.00	33.32	1.34
% change from previous week	-	-15	92	44
21-22 financial YTD		20.20	8.89	0.90
% change from previous financial YTD		5	13	-77

* Ancillary payments reflect the compensation costs for any additional injections offered at a price higher than the market price. Note: only positive ancillary payments, reflecting system constraints will be shown here.

More detailed analysis on the VGM is provided in section 1.

[2] The prices shown for the GSH in Moomba, South East Queensland and Wallumbilla are volume weighted average (VWA) prices for all products traded across the period. The total quantity contributing to the weighted price is displayed for these GSH. Reported values for Moomba are the aggregate of trades on the Moomba to Adelaide Pipeline (MAP) and the Moomba to Sydney Pipeline (MSP). Historic trades for RBP and SWQP are grouped under WAL, (including in-pipe trades on the RBP).

Figure 5 shows the quantity and volume weighted prices of products traded in the Gas Supply Hub locations at Moomba, South East Queensland and Wallumbilla.

Figure 5: Gas Supply Hub products total traded for the current week ($/GJ, TJ)[3]

	Moomba		South East Queensland		Wallumbilla*	
	VWA price	Quantity	VWA price	Quantity	VWA price	Quantity
Balance of day	-	-	34.94	8.0	19.81	172.0
Daily	-	-	35.00	1.0	18.90	784.0
Day ahead	-	-	30.25	2.0	25.49	62.0
Weekly	-	-	-	-	-	-
Monthly	-	-	15.50	155.0	15.94	728.0
Total	**-**	**-**	**16.73**	**166.0**	**17.99**	**1746.0**

* includes non-netted (off-market) trades.

Figure 6 shows Bulletin Board pipeline flows for the three LNG export pipeline facilities and the production output at related production facilities in the Roma region.

Figure 6: Average daily LNG export pipeline and production flows (TJ)*

	APLNG	GLNG	QCLNG	Total
Production	1524	931	1639	4094
Export Pipeline Flows	1558	956	1240	3753
% change from previous week (pipeline flows)	-4	1	-9	-4
21-22 financial YTD flows	1489	1062	1369	3920

* Production quantities represent flows from facilities operated by APLNG, Santos (GLNG) and QGC. Gas from individual facilities may also supply the domestic market, other LNG projects or storage facilities.

Detailed market analysis

Record high prices in the downstream markets

Increased demand in the downstream markets continue alongside strong demand for gas generation (see 1-7 May Weekly).

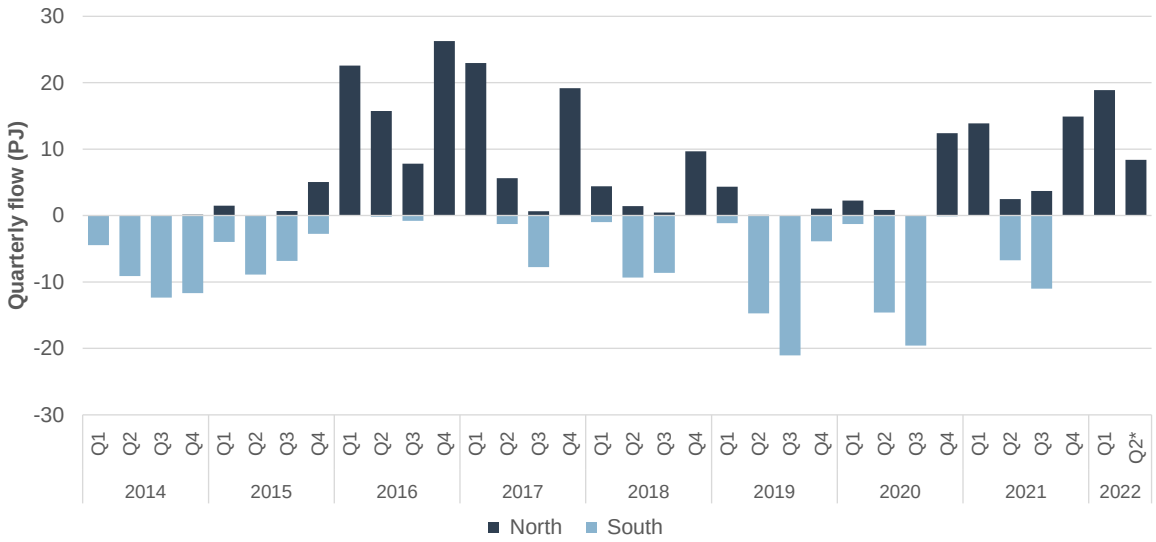
Domestic spot prices again increased significantly (61-89%) across all four downstream wholesale gas markets. Ex ante prices in the short term trading markets hit record highs in each market on 13 May. On 12 May, the 6 am VGM price jumped 77% from the previous day to $55/GJ, a record price in the east coast gas market.

[3] Further information about new product trading locations in Victoria (Culcairn) and Sydney (Wilton) is available in section 6. Gas Supply Hub.

More gas required to flow south to meet demand

From 10 May, prices have been above $30/GJ in the downstream markets, exceeding the export parity price[4] for June ($27.96/GJ). For the fourth quarter to date and despite record high domestic spot prices, the majority of gas continues to flow north to Queensland (see figure 7 below), supplementing production at Gladstone for LNG exports. During the week of 8–14 May only a limited volume of gas flowed to Southern markets from Queensland.

Figure 7: North-South gas flows



Q2* Quarter 2 to-date (up to 14 May)

Significant price variation (SPV) analysis

There has been high volatility in the spot markets and a steep increase in prices across the week. The AER significant price variation reporting thresholds were triggered in the STTM and VGM. Specifically:

- **Change in bid**: the D-1 price in the STTMs deviated from the D-2 forecast price by more than $7/GJ on 11 occasions (Figures 8-17 and 19)
- **Change in demand**: the D+1 price in the Adelaide STTM deviated from the D-1 price by more than $7/GJ on 2 occasions (Figures 18 & 19)
- **30 day rolling average:** the trade weighted imbalance price[5] in the Victorian VGM was greater than three times the previous 30 day rolling average price and ≥$15/GJ on 1 occasion (Figure 20).

These deviations constitute SPV events in accordance with rules 355(2) and 498(2) of the National Gas Rules. The AER will publish a detailed report on these outcomes following further investigation.

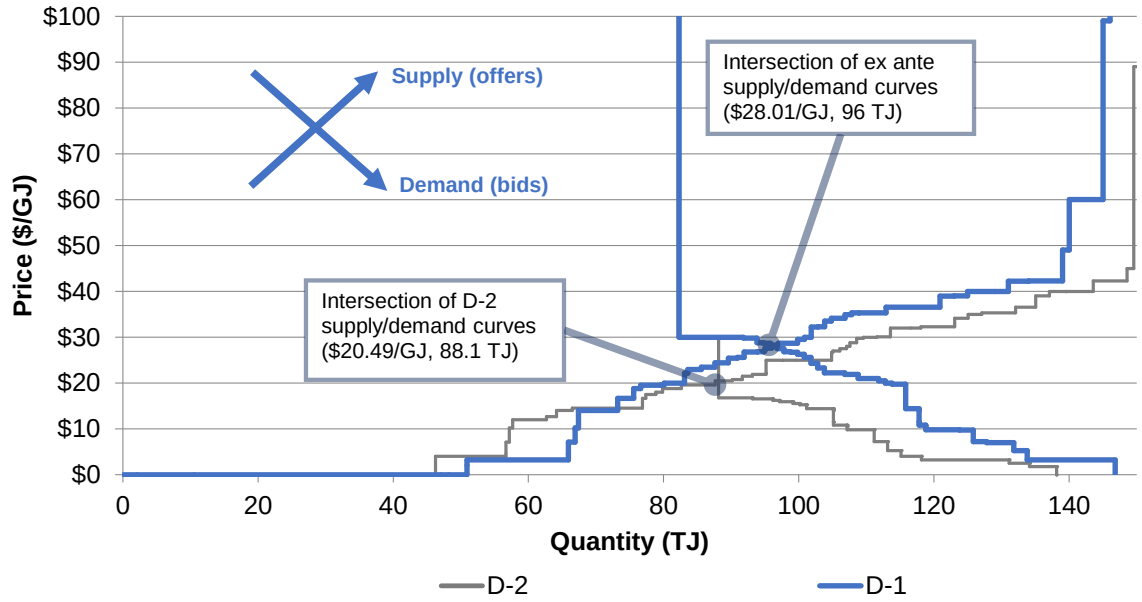
Below is a brief description of these events.

[4] The LNG netback price series is published by the ACCC. It is a measure of an export parity price that a gas supplier would be indifferent between selling the gas to a domestic buyer or exporting it. The netback price is calculated based on the delivered price of LNG, reflecting Asian LNG spot trades that occurred in the previous 4-8 weeks.

[5] In Victoria, participants pay five schedule prices across the gas day, with the trade weighted price representing the cost of gas for the gas day.

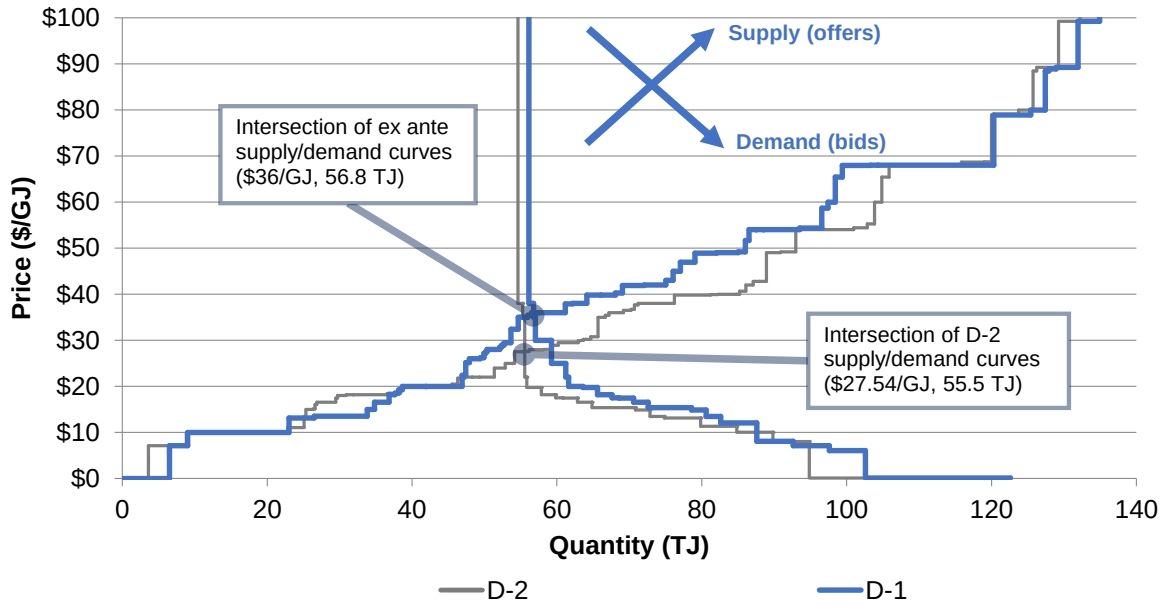
Change in bids and offers

Figure 8: Brisbane provisional and ex ante bid and offer curves (9 May)



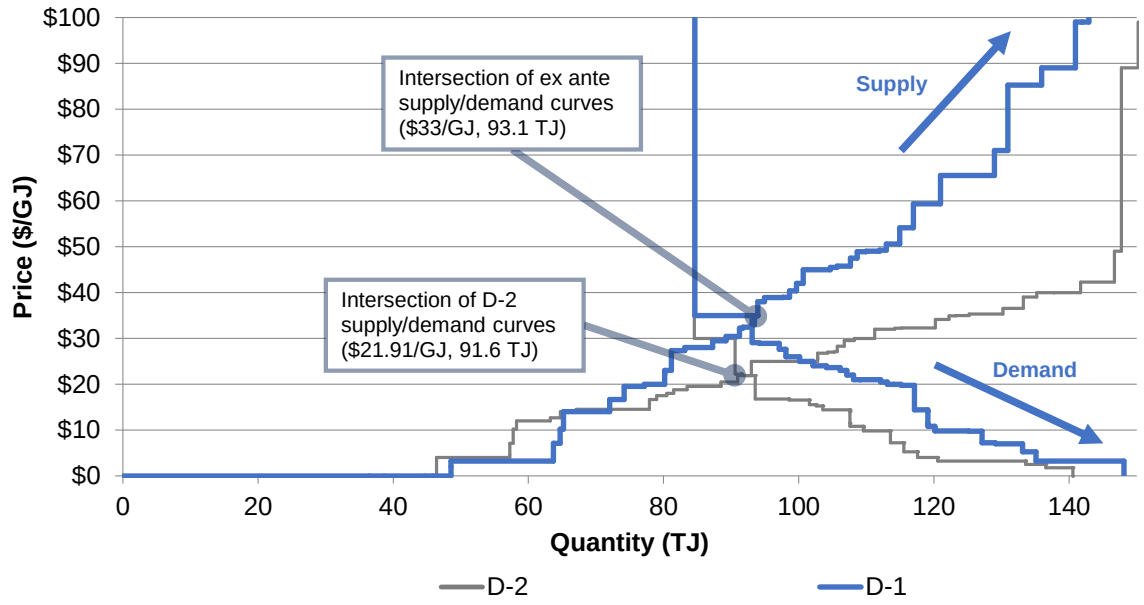
On 9 May in Brisbane, rebidding in the ex ante schedule shifted controllable withdrawals to higher prices between $20-30/GJ, with supply above 80 TJ around $5/GJ higher. This drove an increase of $7.52/GJ between the D-2 provisional price ($20.49/GJ) and the ex ante price ($28.01/GJ).

Figure 9: Adelaide provisional and ex ante bid and offer curves (10 May)



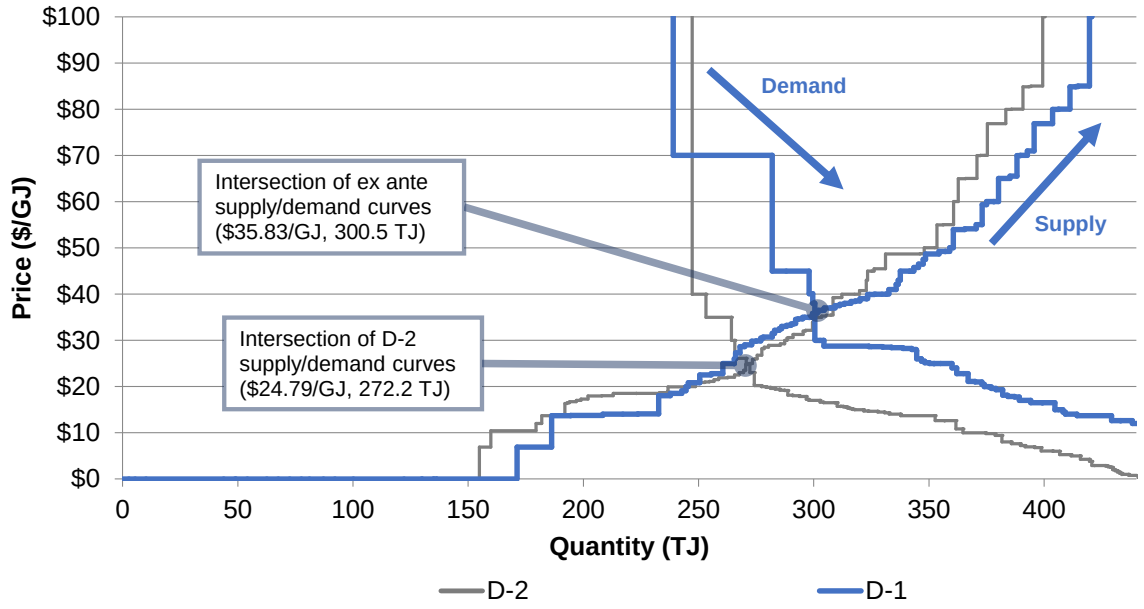
On 10 May in Adelaide, ex ante gas offers in the $20-40/GJ range decreased by 18.6 TJ from the D-2 provisional schedule. This drove an increase of $8.46/GJ between the D-2 provisional price ($27.54/GJ) and the ex ante price ($36/GJ).

Figure 10: Brisbane provisional and ex ante bid and offer curves (10 May)



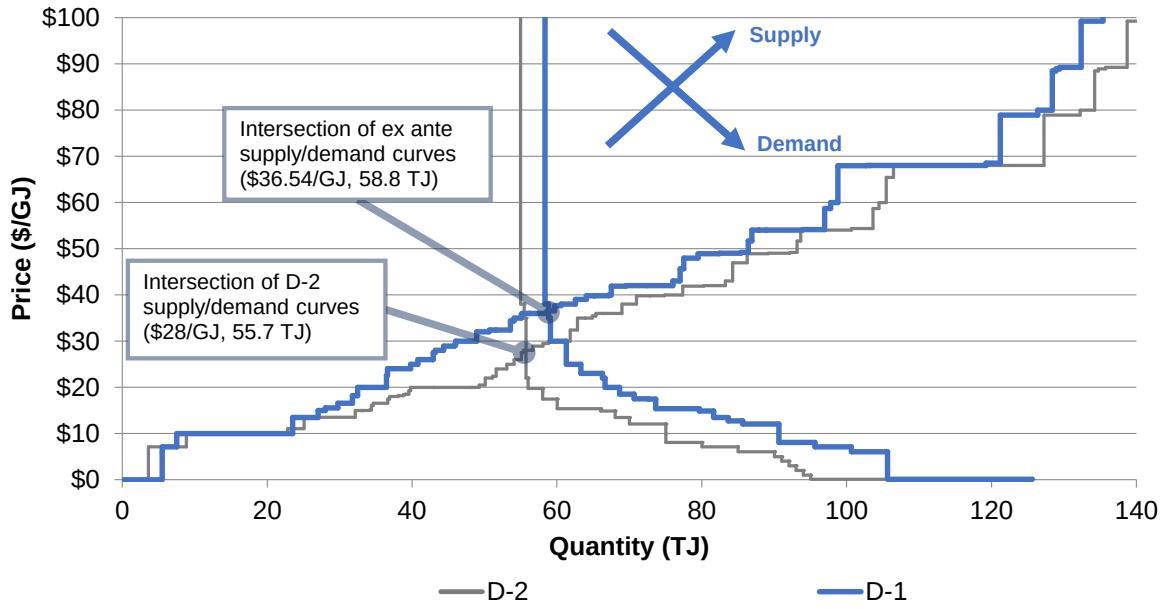
On 10 May in Brisbane, ex ante gas offers in the $20-40/GJ range decreased by close to 35 TJ compared to the D-2 provisional schedule. A number of participants increased the prices of their controllable demand bids from $14-30/GJ to $21-35/GJ. This drove an increase of $11.09/GJ between the D-2 provisional price ($21.91/GJ) and the ex ante price ($33/GJ).

Figure 11: Sydney provisional and ex ante bid and offer curves (10 May)



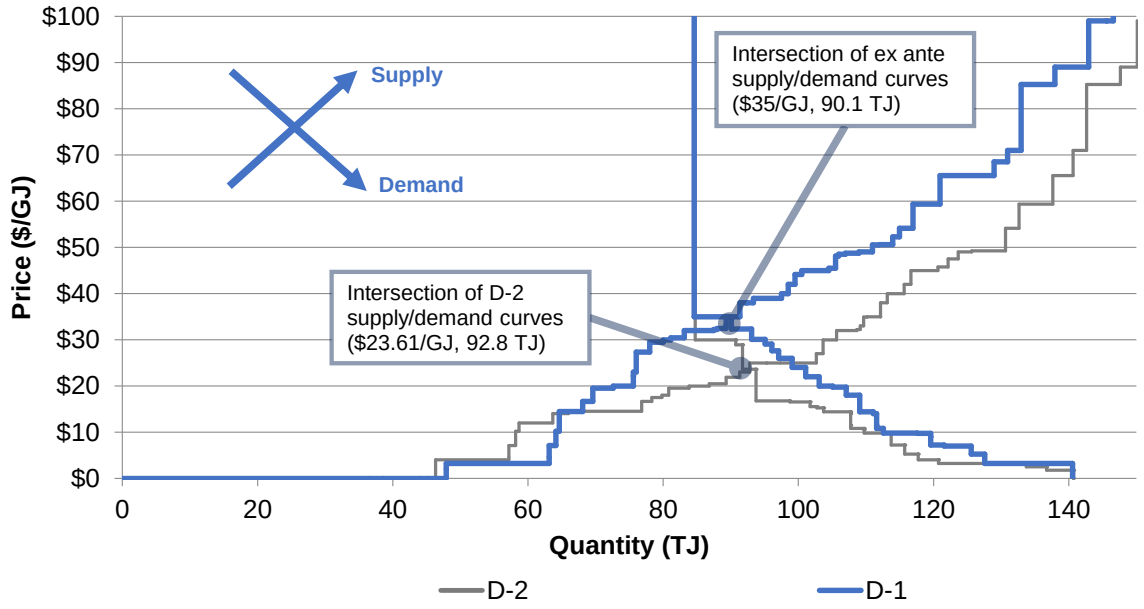
A significant quantity of controllable gas demand was rebid to higher prices above $30/GJ (including the addition of a 43 TJ bid from Snowy Hydro at $70/GJ). This drove an increase of $11.04/GJ between the D-2 provisional price ($24.79/GJ) and the ex ante price ($35.83/GJ).

Figure 12: Adelaide provisional and ex ante bid and offer curves (11 May)



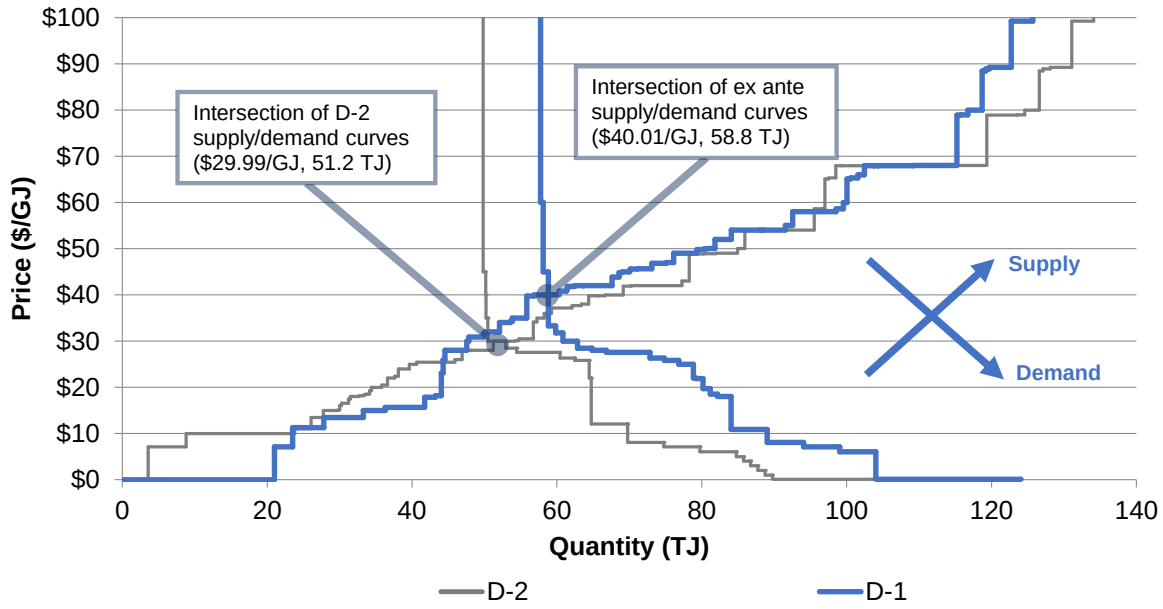
On 11 May in Adelaide, gas offers priced below $25/GJ decreased by 13.3 TJ, with only around 3.5 TJ rebid up to prices below $35/GJ. Forecast uncontrollable (price taker) demand also increased by over 10 TJ. This drove an increase of $8.54/GJ between the D-2 provisional price ($28/GJ) and the ex ante price ($36.54/GJ).

Figure 13: Brisbane provisional and ex ante bid and offer curves (11 May)



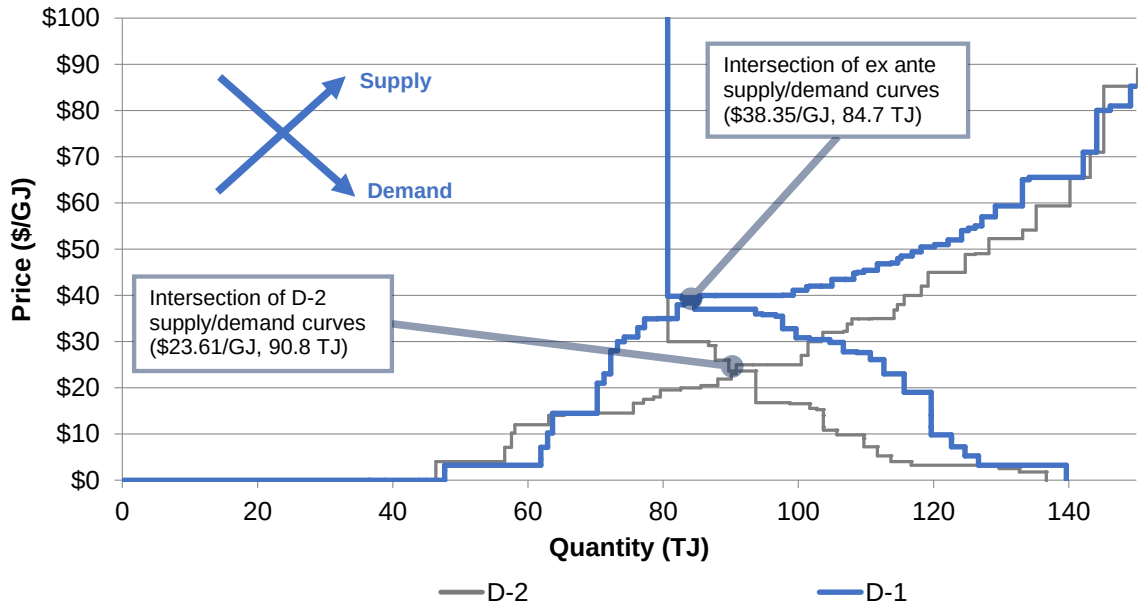
On 11 May in Brisbane, gas offers priced below $25/GJ decreased by almost 27 TJ, with only 9.5 TJ shifted up to bands below $40/GJ. Forecast uncontrollable (price taker) demand also increased by over 10 TJ. This drove an increase of $11.39/GJ between the D-2 provisional price ($23.61/GJ) and the ex ante price ($35/GJ).

Figure 14: Adelaide provisional and ex ante bid and offer curves (13 May)



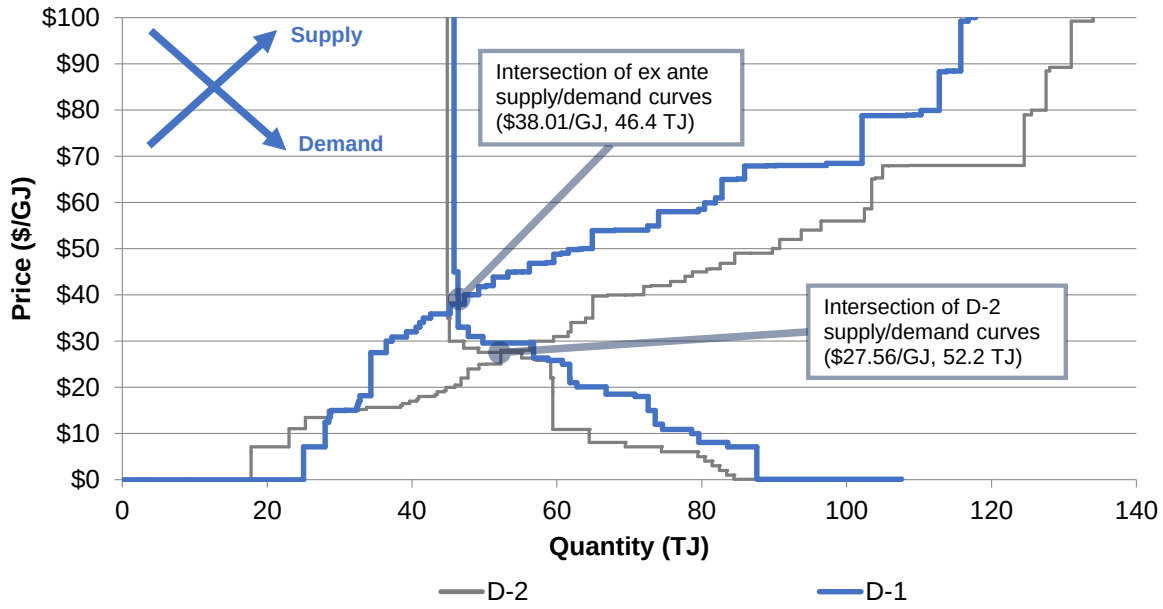
On 13 May, forecast uncontrollable (price taker) demand in the Adelaide hub increased by 7.2 TJ to 56.2 TJ in the ex ante schedule, alongside decreased gas offers in the $20-30/GJ range and increases to gas offers above 45 TJ (manly shifting more gas into $40-60/GJ price bands). This drove an increase of $10.02/GJ between the D-2 provisional price ($29.99/GJ) and the ex ante price ($40.01/GJ).

Figure 15: Brisbane provisional and ex ante bid and offer curves (13 May)



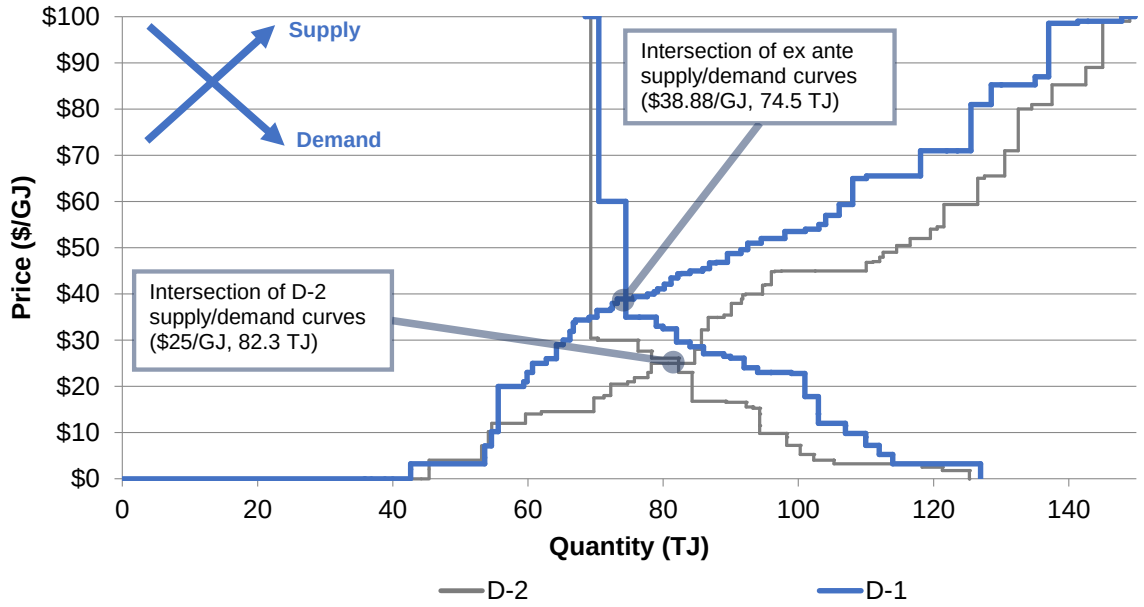
In Brisbane on 13 May, gas offers below $35/GJ reduced by more than 30 TJ, being rebid to higher prices. This drove an increase of $14.74/GJ between the D-2 provisional price ($23.61/GJ) and the ex ante price ($38.35/GJ).

Figure 16: Adelaide provisional and ex ante bid and offer curves (14 May)



In Adelaide on 14 May, more than 26 TJ of gas priced below $50/GJ was rebid mainly to prices above $70/GJ. This drove an increase of $10.45/GJ between the D-2 provisional price ($27.56/GJ) and the ex ante price ($38.01/GJ).

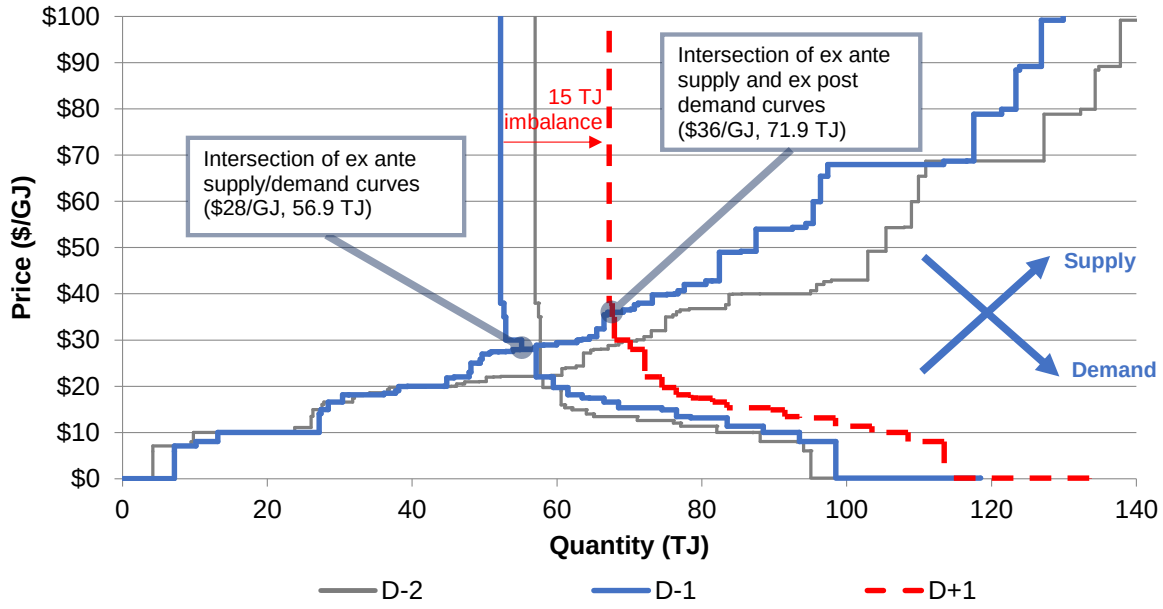
Figure 17: Brisbane provisional and ex ante bid and offer curves (14 May)



On 14 May in Brisbane, gas offers priced below $60/GJ were rebid to prices between $60-100/GJ. This drove an increase of $13.88/GJ between the D-2 provisional price ($25/GJ) and the ex ante price ($38.88/GJ).

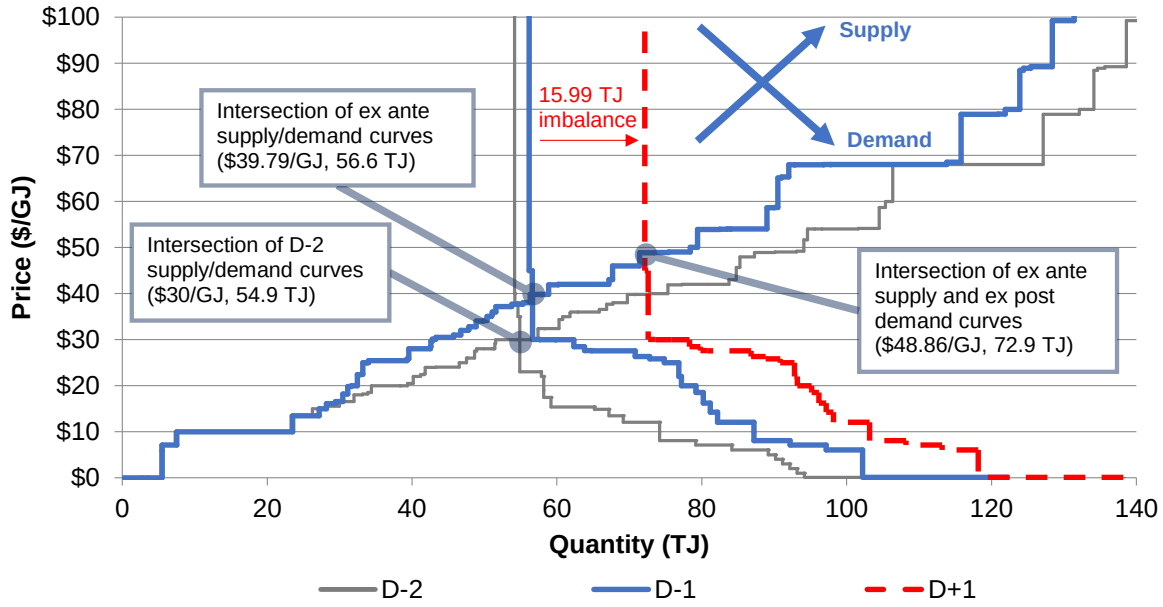
Change in Demand

Figure 18: Adelaide ex ante and ex post bid and offer curves (9 May)



On 9 May, ex post demand in Adelaide was 15 TJ higher than forecast. This drove the ex ante price ($28/GJ) up by $8/GJ in the ex post schedule ($36/GJ).

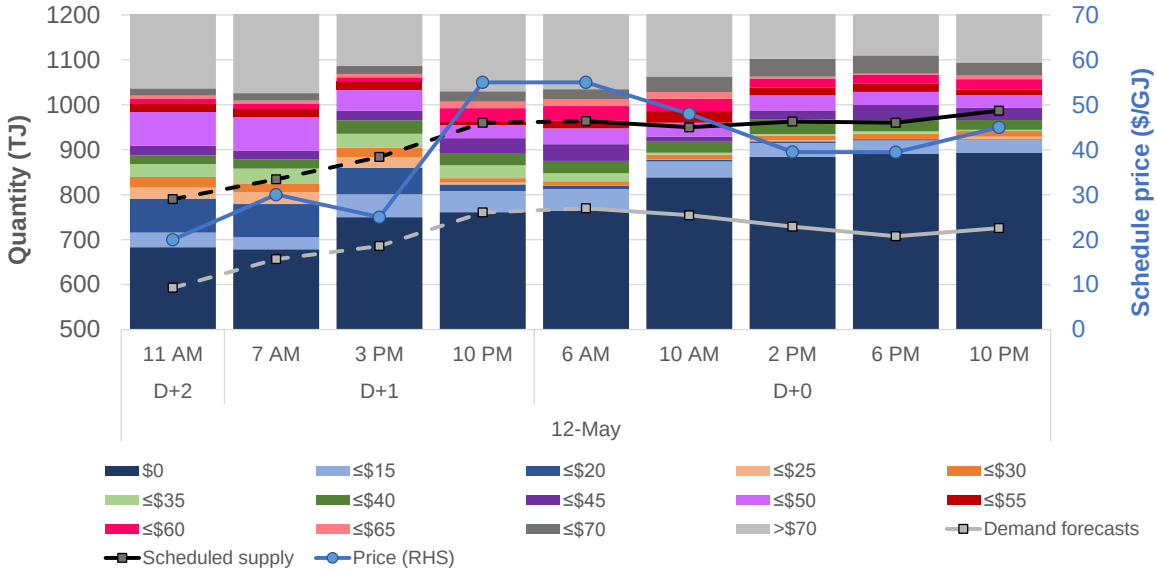
Figure 19: Adelaide D-2, D-1 and D+1 bid and offer curves (12 May)



On 12 May, ex ante demand in Adelaide was only slightly up from the D-2 provisional forecast, with the increase in supply offer prices the main contributor to the price increasing by more than $7/GJ (gas priced under $30/GJ dropped by almost 15T J). This drove an increase of $9.79/GJ between the D-2 provisional price ($30/GJ) and the ex ante price ($39.79/GJ). The ex post price increase resulted from demand almost 16 TJ higher on the gas day, mainly driven by 13 TJ of additional supply providing extra gas for a 13 TJ backhaul renomination on the Moomba to Adelaide Pipeline. This drove the ex ante price ($39.79/GJ) up another $9.07/GJ in the ex post schedule ($48.86/GJ).

30 day rolling average

Figure 20: Victorian schedule prices, demand and injection offers (12 May)*



* For 1 and 2 day-ahead (forecast) schedules, bid cut-off times are shown. For intra-day D+0 (actual) schedules, scheduling interval times are shown. Each schedule represents quantities across the 12 May gas day. The difference between demand forecasts and scheduled supply reflects the amount of simultaneous withdrawal bids from Victoria.

Separate to the thresholds used for the STTM, there is a separate threshold used for the VGM. This threshold is triggered where the imbalance price is:

- greater than three times the previous 30 day rolling average price; and
- above $15/GJ.

On 12 May, the 30 day rolling average threshold was triggered when the volume weighted imbalance price reached $53.57/GJ, just over three times the previous 30 day rolling average price ($17.40/GJ).

This high price was due to consecutive increases to demand forecasts driving up forecast prices, with a reduction in $15-30/GJ offers in the last day-ahead schedule forecast seeing the price increase to $55/GJ. High prices were also supported by 211 TJ of withdrawal bids from Victoria which occurred despite the high prices.

1. Victorian Declared Wholesale Market

In the Victorian gas market, gas is priced five times daily at 6 am, 10 am, 2 pm, 6 pm and 10 pm. The imbalance weighted price on a gas day tends towards the 6 am price[6] which is the schedule at which most gas is traded.

The main drivers[7] of price are demand forecasts and bids to inject or withdraw gas from the market. Figures 1.1 to 1.4 below show the daily prices, demand forecasts[8], and injection/withdrawal bids for each of the five pricing schedules. Figure 1.5 provides information on which system injection points were used to deliver gas, in turn indicating the location and relative quantity of gas injection bids cleared through the market.

Ancillary payments for gas injected above the market price are shown above in figure 4.

Figure 1.1: Prices by schedule ($/GJ)

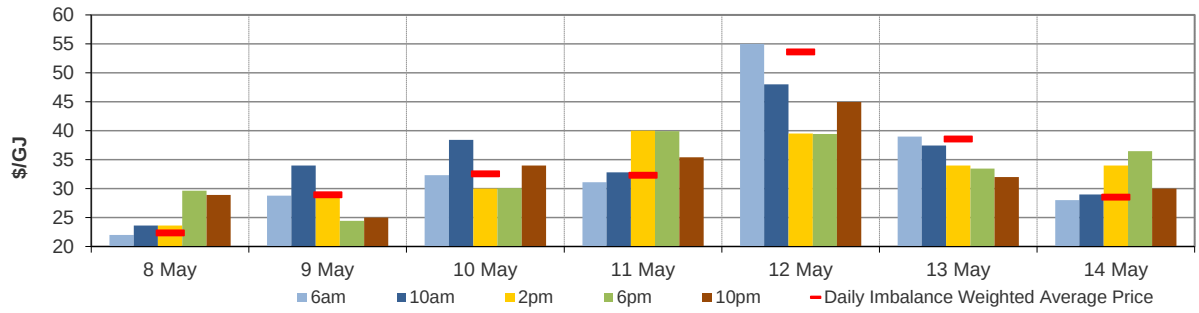
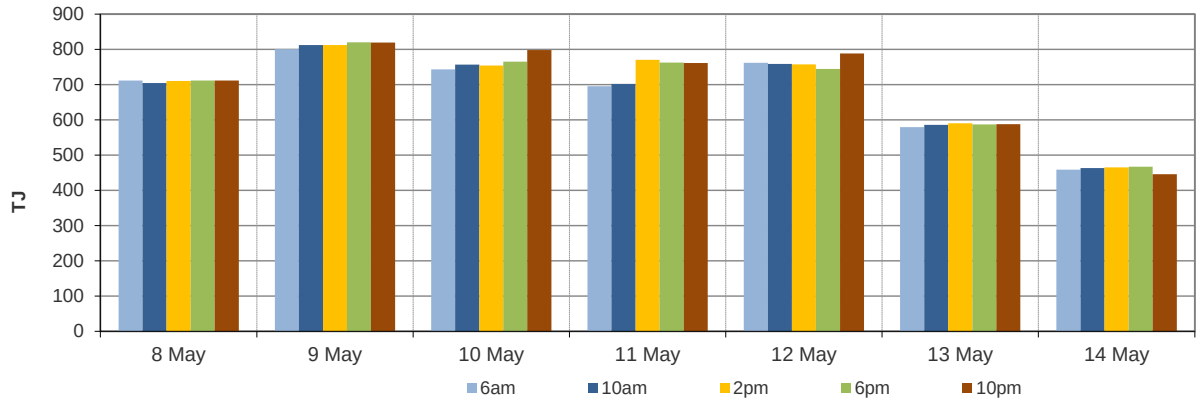


Figure 1.2: Demand forecasts (TJ)



[6] Prices for subsequent schedules are applied only to the differences in scheduled quantities (imbalances) to calculate the weighted price. The 6 am price applies to the entire scheduled quantity in the initial schedule.

[7] The price might also be affected by transmission or production (contractual) constraints limiting how much gas can be delivered from a locale or System Injection Point (SIP) from time to time.

[8] These are Market Participants' aggregate demand forecasts adjusted for any override as applied by AEMO from time to time. These forecasts must be scheduled and cannot respond to price like withdrawal bids.

Figure 1.3: Injection bids by price bands (TJ)

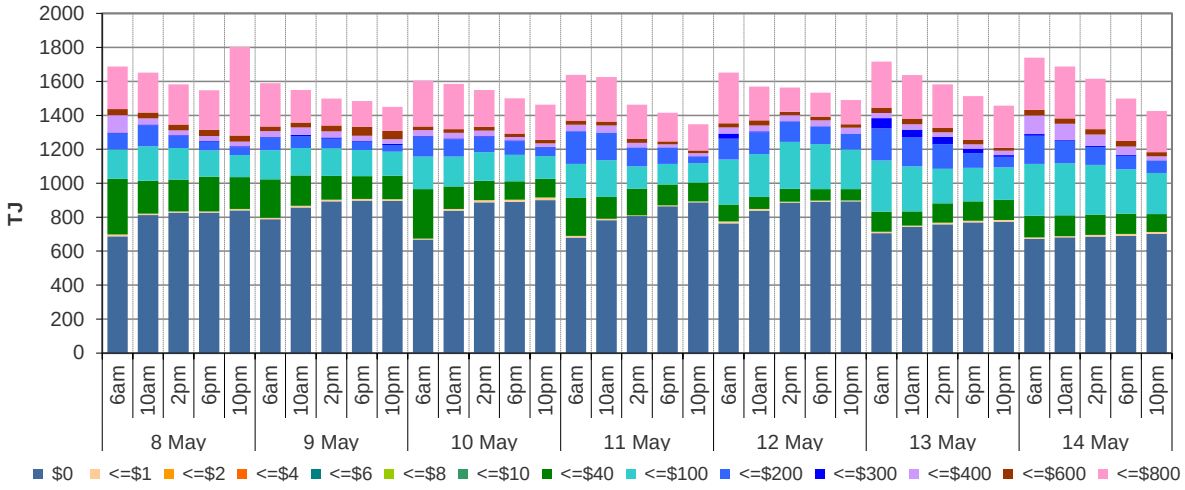


Figure 1.4: Withdrawal bids by price bands (TJ)

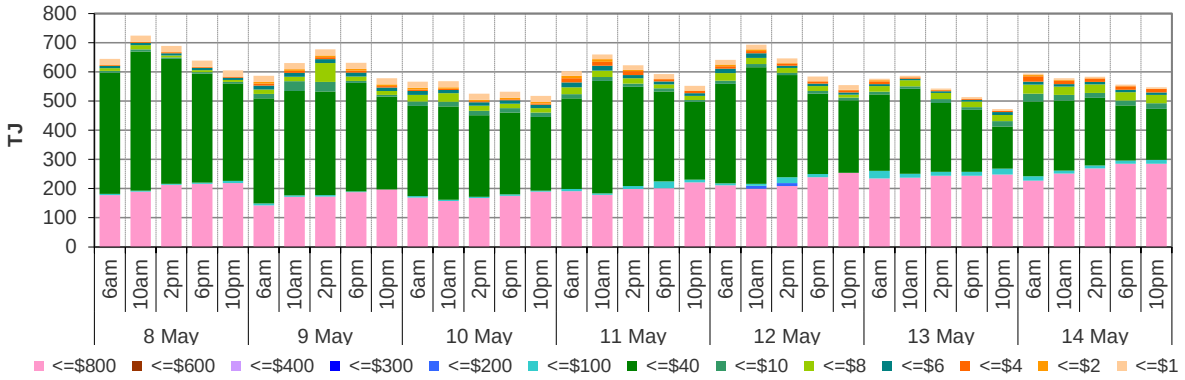
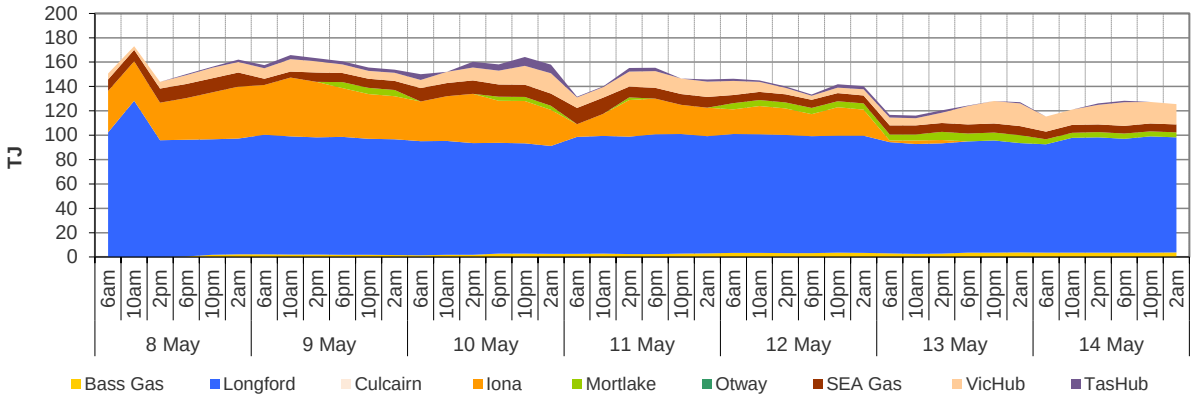


Figure 1.5: Metered Injections by System Injection Point (TJ)



Note that in figure 1.5, the last 8-hour schedule from 10 pm has been separated into two 4-hour blocks to provide a consistent comparison with earlier scheduled injection volumes.

2. Sydney STTM

In each STTM hub, a daily gas price is calculated before the gas day (the ex ante price) and after the gas day (the ex post price). The main drivers of these prices are participant demand forecasts and offers to inject or bids to withdraw gas traded at the hub.[9] Divergences in ex ante and ex post prices for a gas day may occur due to differences in scheduled (forecast) and allocated (actual) quantities. Pipeline acronyms are defined in the user guide.

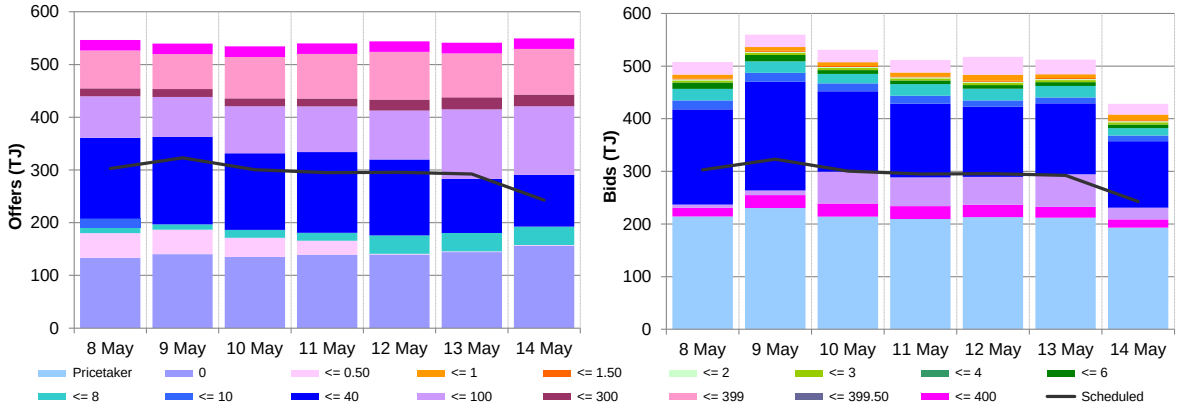
Market Operator Service balancing gas (MOS) payments arise because the amount of gas nominated on pipelines for delivery on a gas day will either exceed or fall short, by some amount, of the amount of gas consumed in the hub. In such circumstances, MOS payments are made to participants for providing a service to park gas on a pipeline or to loan gas from a pipeline to the hub.[10]

Figures 2.1 and 2.2 show daily prices, demand, offers and bids. Figures 2.3 and 2.4 show gas scheduled and allocated on pipelines to supply the hub, indicating the location and relative quantity of gas offers across pipelines and also the amount of MOS allocated for each pipeline.

Figure 2.1: SYD STTM daily ex ante and ex post prices and quantities

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Ex ante price ($/GJ)	24.99	29.00	35.83	33.00	34.59	42.88	31.00
Ex ante quantity (TJ)	303	323	301	295	296	292	243
Ex post price ($/GJ)	22.50	26.11	36.50	35.00	34.59	40.00	34.55
Ex post quantity (TJ)	279	296	303	305	298	280	260

Figure 2.2: SYD daily hub offers and bids in price bands ($/GJ)



[9] The main driver of the amount of gas scheduled on a gas day is the 'price-taker' bid, which is forecast hub demand that cannot respond to price and which must be delivered, regardless of the price.

[10] MOS service payments involve a payment for a MOS increase service when the actual quantity delivered exceeds final gas nominations for delivery to a hub, and a payment for a MOS decrease service when the actual quantity delivered is less than final nominations. As well as a MOS 'service' payment, as shown in figure 2.4, MOS providers are paid for or pay for the quantity of MOS sold into the market or bought from the market (MOS 'commodity' payments/charges).

Figure 2.3: SYD net scheduled and allocated gas hub supply (excluding MOS)

Figure 2.3 shows the daily scheduled and allocated quantities sorted by facility for Sydney this week. For a more detailed description of this figure, please refer to the user guide.

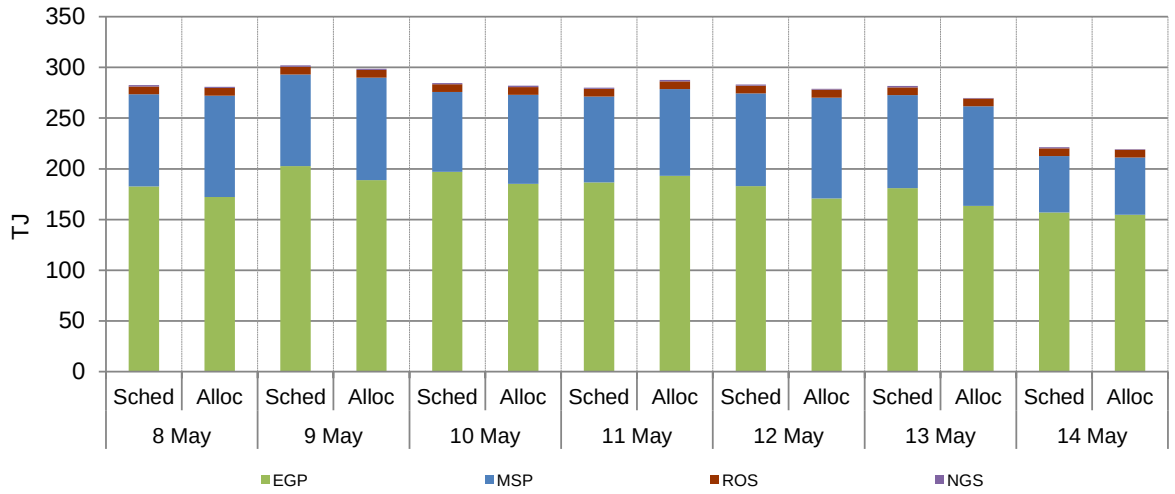
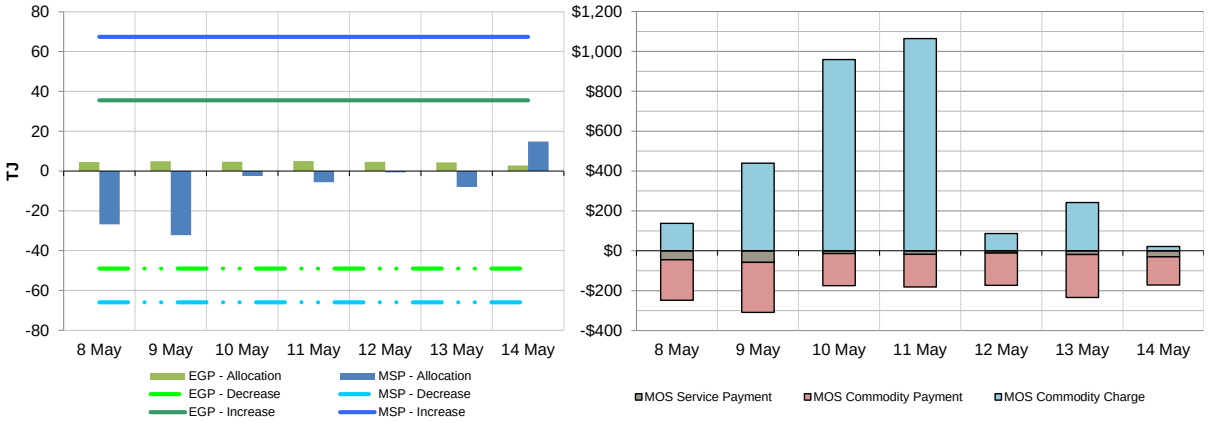


Figure 2.4: SYD MOS allocations (TJ), service payments and commodity payments/charges ($000)[11]



[11] The commodity cost of MOS illustrated on the right of the figure represents the commodity quantity at the D+2 ex ante price. Commodity payments and charges for a given gas day relate to quantities traded two days earlier. That is, the commodity cost for services provided on Sunday will appear in the chart for Tuesday, when the D+2 price is set. In contrast, service payments are shown alongside the day they occurred.

3. Adelaide STTM

The Adelaide STTM hub functions in the same way as the Sydney STTM hub. The same data that was presented for the Sydney hub is presented for the Adelaide hub in the figures below.

Figure 3.1: ADL STTM daily ex ante and ex post prices and quantities

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Ex ante price ($/GJ)	25.24	28.00	36.00	36.54	39.79	40.01	38.01
Ex ante quantity (TJ)	51	57	57	59	57	59	46
Ex post price ($/GJ)	25.99	36.00	39.79	41.86	48.86	39.76	35.89
Ex post quantity (TJ)	51	72	65	69	73	57	45

Figure 3.2: ADL daily hub offers and bids in price bands ($/GJ)

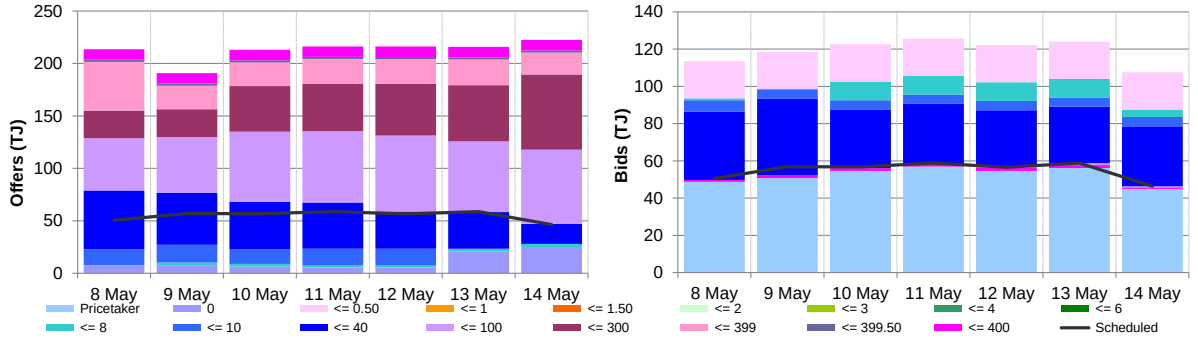


Figure 3.3: ADL net scheduled and allocated gas hub supply (excluding MOS)

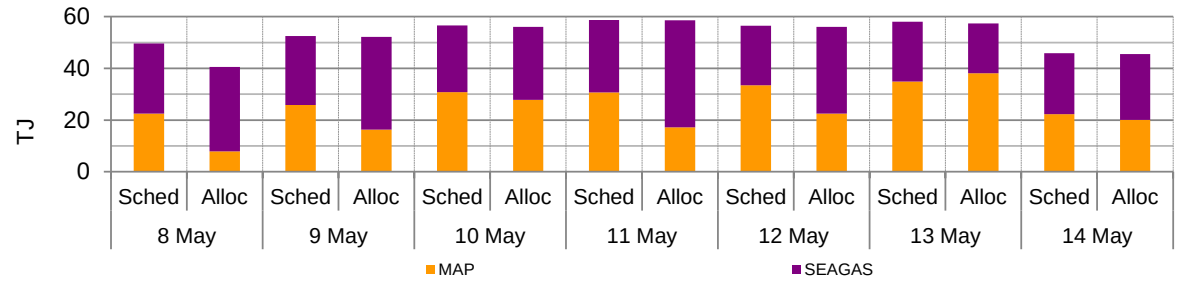
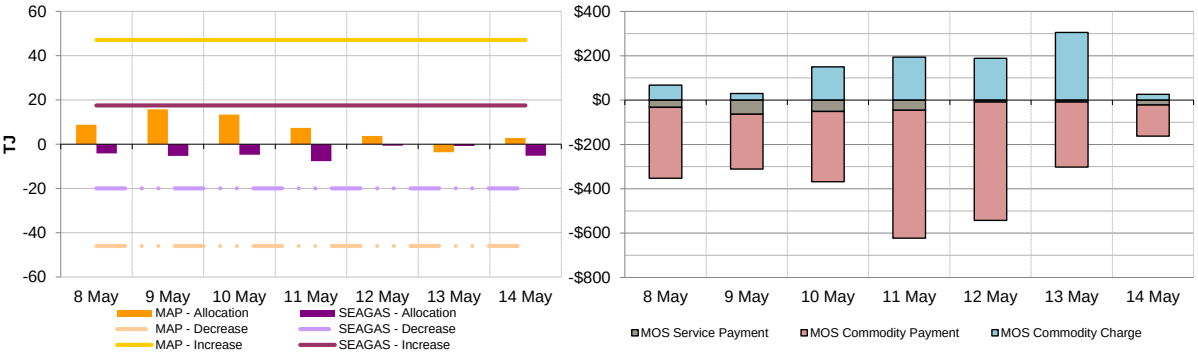


Figure 3.4: ADL MOS allocations (TJ), service payments and commodity payments/charges ($000)



4. Brisbane STTM

The Brisbane STTM hub functions in the same way as the Sydney STTM hub. The same data that was presented for the Sydney hub is presented for the Brisbane hub in the figures below.

Figure 4.1: BRI STTM daily ex ante and ex post prices and quantities

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Ex ante price ($/GJ)	19.60	28.01	33.00	35.00	31.90	38.35	38.88
Ex ante quantity (TJ)	76	96	93	90	93	85	74
Ex post price ($/GJ)	19.60	27.51	30.41	32.43	31.00	39.41	39.41
Ex post quantity (TJ)	75	93	90	88	90	86	76

Figure 4.2: BRI daily hub offers bids in price bands ($/GJ)

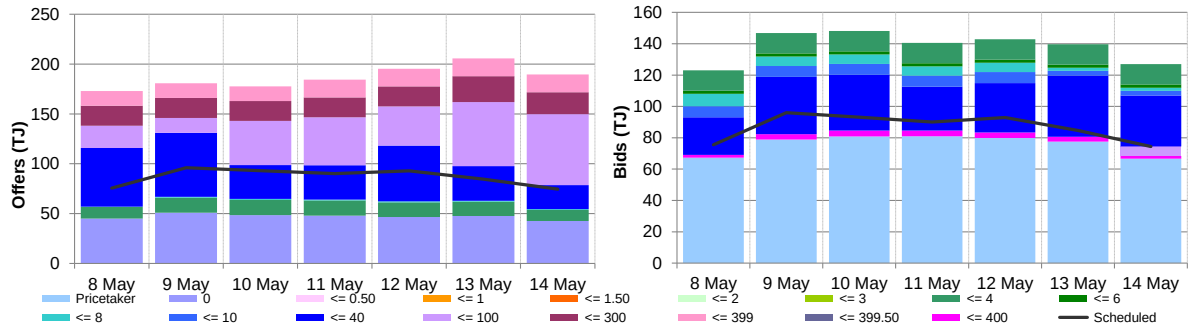


Figure 4.3: BRI net scheduled and allocated gas hub supply (excluding MOS)

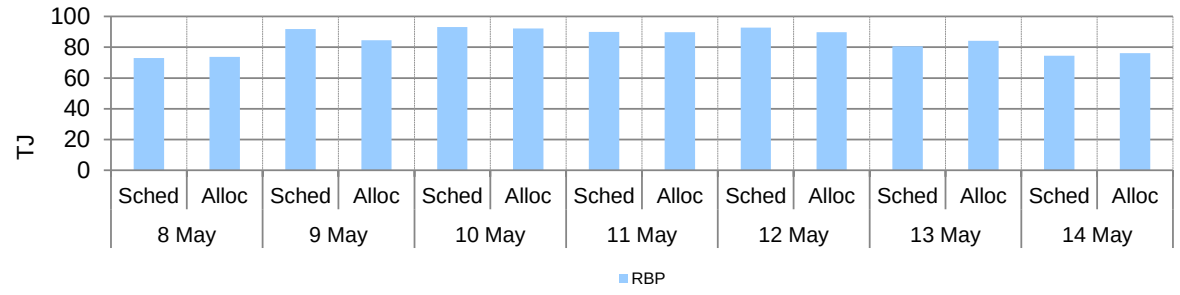
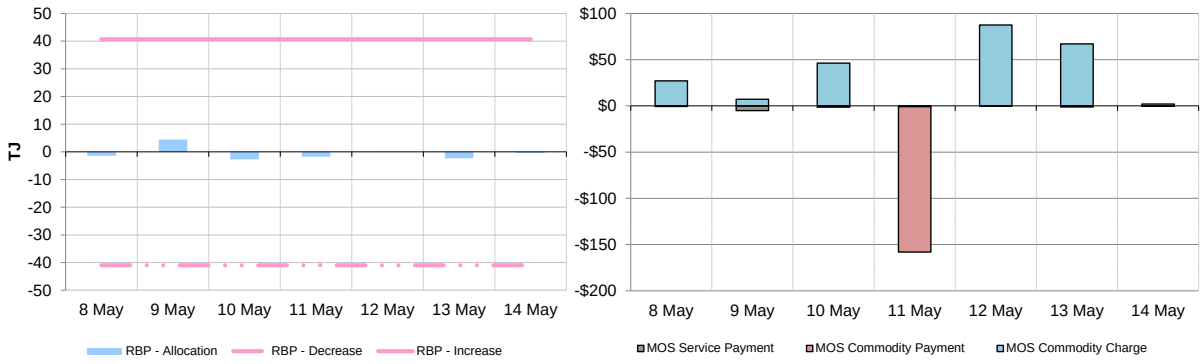


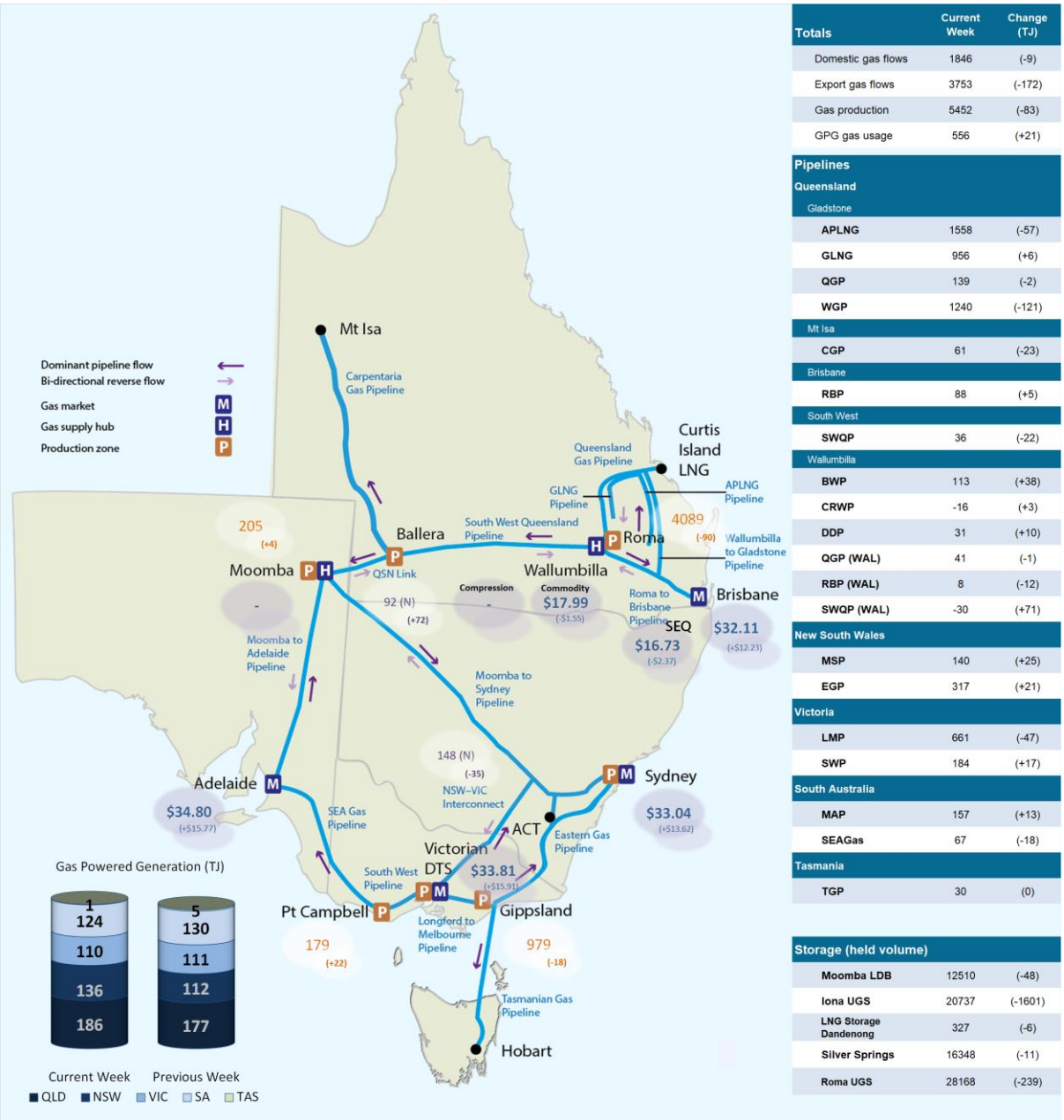
Figure 4.4: BRI MOS allocations (TJ), service payments and commodity payments/charges ($000)



5. National Gas Bulletin Board

Figure 5.1 shows average daily actual flows for the current week[12] from the Bulletin Board (changes from the previous week's average are shown in brackets). Average daily prices[13] are provided for gas markets and gas supply hubs. Average daily quantities are provided for gas powered generation for each region.

Figure 5.1: Gas market data ($/GJ, TJ/day); Bulletin Board flows (TJ/day)[14]



Totals	Current Week	Change (TJ)
Domestic gas flows	1846	(-9)
Export gas flows	3753	(-172)
Gas production	5452	(-83)
GPG gas usage	556	(+21)
Pipelines		
Queensland		
Gladstone		
APLNG	1558	(-57)
GLNG	956	(+6)
QGP	139	(-2)
WGP	1240	(-121)
Mt Isa		
CGP	61	(-23)
Brisbane		
RBP	88	(+5)
South West		
SWQP	36	(-22)
Wallumbilla		
BWP	113	(+38)
CRWP	-16	(+3)
DDP	31	(+10)
QGP (WAL)	41	(-1)
RBP (WAL)	8	(-12)
SWQP (WAL)	-30	(+71)
New South Wales		
MSP	140	(+25)
EGP	317	(+21)
Victoria		
LMP	661	(-47)
SWP	184	(+17)
South Australia		
MAP	157	(+13)
SEAGas	67	(-18)
Tasmania		
TGP	30	(0)

Storage (held volume)		
Moomba LDB	12510	(-48)
Iona UGS	20737	(-1601)
LNG Storage Dandenong	327	(-6)
Silver Springs	16348	(-11)
Roma UGS	28168	(-239)

12 **Domestic gas flows** are calculated as the total of: **SA** = MAP + SEAGAS; **VIC** = SWP + LMP + (flows towards Victoria on the 'NSW-VIC interconnect'); **NSW/ACT** = EGP + MSP; **TAS** = TGP; **QLD (Brisbane)** = RBP; **QLD (Mt Isa)** = CGP; and **QLD (Gladstone)** = QGP.
Export gas flows are calculated as the total of: the APLNG pipeline; the GLNG pipeline; and the Wallumbilla to Gladstone pipeline.
GPG volumes may include gas usage that does not show up on Bulletin Board pipeline flows.

13 GSH supply is the average daily volume of gas 'traded', while price is a volume weighted average. Optional hub services (for compression and redirection) are shown separately from commodity trades.

14 Net flows are shown for Bulletin Board facilities, as outlined in the user guide.

6. Gas Supply Hub

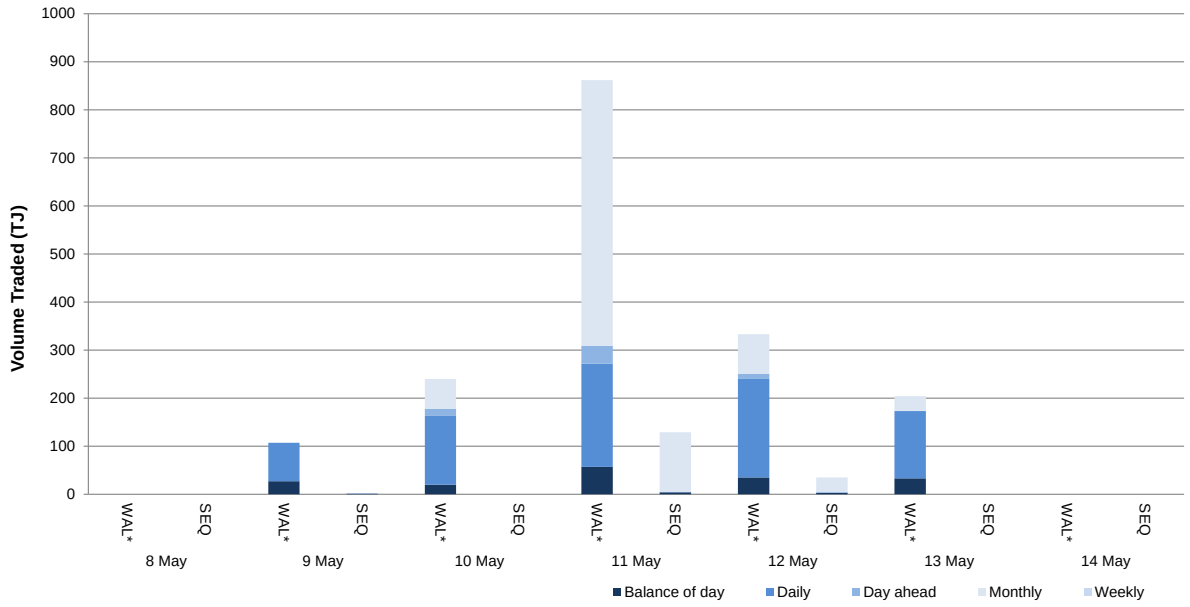
The gas supply hub was established at Wallumbilla in March 2014 to facilitate the voluntary trading of gas between participants, with products listed for sale and purchase at delivery points on three major connecting pipelines. There are separate products for each trading location and delivery period (daily, day-ahead, balance-of-day, weekly and monthly products).[15]

The Moomba hub commenced operation from June 2016 to further facilitate trading on the **MAP** and **MSP**, with trading between the two hubs on the SWQP via a spread product (representing the price differential between the hubs). From October 2016, the addition of a Wallumbilla Compression Product was introduced to facilitate the supply hub's transition from three different trading locations into one. From March 2017, Wallumbilla transitioned into an optional hub services model, replacing the three trading locations (QGP, SWQP and RBP) with a single product at Wallumbilla **(WAL)** and an in-pipe RBP trading location at South East Queensland **(SEQ)**. On 28 January 2021, trading locations at Wilton (Sydney) and Culcairn (Victoria) were introduced.

This week there were 82 trades for 1912 TJ of gas at a volume weighted price of $17.88/GJ. These consisted of 72 trades at WAL (1746 TJ at $17.99/GJ) and 10 trades at SEQ (166 TJ at $16.73/GJ).

Figure 6.1 shows the quantity of gas traded by product type for each trading day on pipeline trading locations in the Wallumbilla and Moomba Gas Supply Hubs.[16]

Figure 6.1: GSH traded quantities



15 Additional information on trading locations and available products is detailed in the user guide.

16 Non-netted (off-market) trades, allowing the selection of specific delivery point at a trading location, are included with other Wallumbilla trades (WAL*). Non-netted trades at Moomba are shown separately (MOO) from MAP and MSP.

7. Day Ahead Auction

The DAA is a centralised auction platform providing the release of contracted but un-nominated transportation capacity on designated pipelines and compression facilities across eastern Australia. The auction enables transportation facility users to procure residual capacity on a day-ahead basis after nomination cut-off, with a zero reserve price and compressor fuel provided.

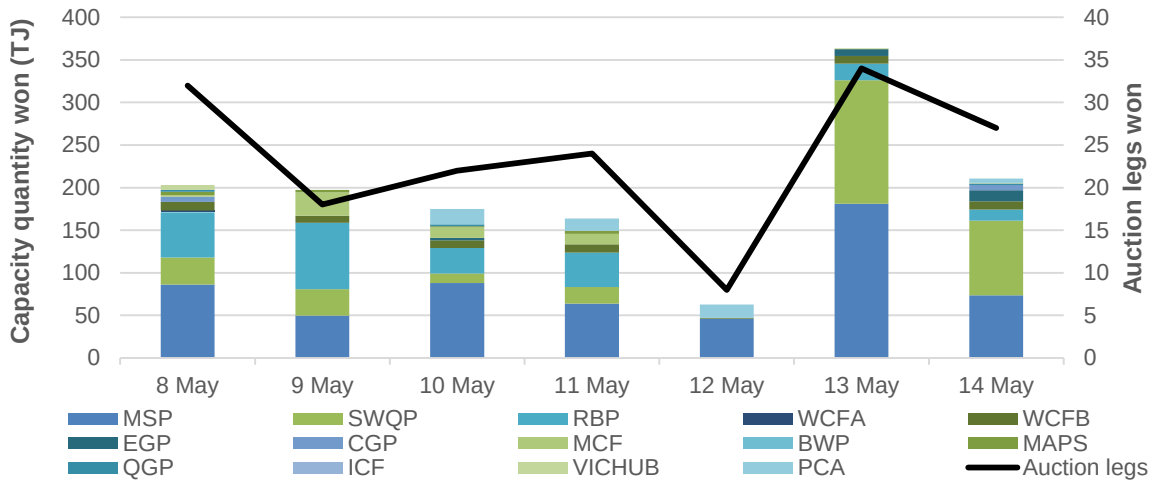
Participants may bid in to the DAA in order to procure the following services:

- park services;
- forward haul pipeline services with products offered in both directions on bi-directional pipelines;
- interruptible backhaul services; and
- stand-alone compression services.

This week, 15 participants took part in the DAA, winning 1376 TJ of capacity across 12 different facilities.

Figure 7.1 shows the quantities of gas and auction legs won through the DAA by gas date, with gas deliverable up to the level of capacity procured. Auction legs reflect each individual facility transaction.[17]

Figure 7.1: DAA traded quantities (TJ) and auction legs won



Australian Energy Regulator
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[17] Additional information is available in the user guide to the AER gas weekly report.