



## DWGM Improvement to AMDQ regime

### Stakeholder submissions are invited on new rule change request

**The Australian Energy Market Commission has commenced consultation on a rule change request to improve the current AMDQ regime in the Victorian declared wholesale gas market. Submissions close on Friday 26 April 2019.**

### Context and rule change request

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

- introduce a simple wholesale gas price for the DWGM in Victoria (*DWGM Simpler wholesale price*)
- establish a forward trading exchange which will make it easier for buyers and sellers to trade gas and lock in a future price in the Victorian gas market (*DWGM Forward trading market*)
- improve the allocation and trading of pipeline capacity rights (*DWGM Improvement to AMDQ regime*).

These requests were based on recommendations made by the AEMC in June 2017, as part of the Review of the Victorian declared wholesale gas market final report (DWGM Review).<sup>1</sup>

To address the issues related to the trading and allocation of pipeline capacity rights, the following changes are proposed in order to improve the existing authorised maximum daily quantity (AMDQ) regime in the DWGM, which will be discussed in this consultation paper:

1. introduce separate, tradable entry AMDQ rights and exit AMDQ rights
2. introduce an exchange to improve secondary trading of AMDQ rights (permanent transfer) and benefits (temporary transfer)
3. make AMDQ available for a range of different tenures.

### Issues for consultation

The rule change request raises a range of issues that are further explained in the consultation paper. Stakeholders are invited to comment on these issues, which include:

- the complexity of the current AMDQ regime and how to address it
- the introduction of measures to facilitate secondary trading of AMDQ
- how to make AMDQ available for a range of different tenures in order to maximise the utilisation of the DTS.

### Consultation process

The Commission will assess the other two related rule change requests (on *DWGM Simpler wholesale price* and *DWGM Forward trading market*) separately, but concurrently with the *DWGM Improvement to AMDQ regime* rule change request. The Commission will also consider potential interactions between all three rule change requests.

<sup>1</sup> AEMC, *Review of the Victorian declared wholesale gas market*, final report, 30 June 2017.

We invite stakeholders to provide written submissions on the consultation paper by Friday **26 April 2019**. A [template](#) setting out consultation questions is available on our website to help stakeholders provide their views on the issues raised in the paper.

For information contact:

AEMC Senior Adviser, **Daniela Moraes** (02) 8296 0607

AEMC Director, **Owen Pascoe** (02) 8296 7856

Media: Communication Director, Prudence Anderson 0404 821 935 or (02) 8296 7817

14 March 2019