

Balancing Regime Checklist

Note 1

Contracts based solution

Participative regulation option

Design Objectives	• Efficiency			✓
	• Single balancing regime			✓
	• Clear roles			✓
	• Avoid/address conflicts of interest			✓
	• Appropriate information provision			✓
	• Transparency			✓
	Operating arrangements			
Procurement	• Procurement on competitive market			✓
	• Balancing market open to all practicable sources			✓
	• Bids changeable as late as reasonably practicable			✓
	• Clearing at marginal cost			✓
Linepack	• Clear scope for BA discretion			✓
	• Clear responsibility for compressor operation			✓
	• Clear responsibility for curtailment			✓ Note 2
Allocation	• All balancing gas allocated			✓
	• Allocation at cost (no penalties)			✓
	• Accounting and disclosure of linepack GJ & \$			✓
	• Cost allocated to causers			✓
	• UFG and own use gas accounted for			✓
Other	• Extended nominations			
	• D+1			
	• Tolerances			
	• Title tracking			
	• Direct BA–Causer relationship (no 'piggie') Note 3			
Governance	• Reporting obligations on BA			✓
	• Audit of balancing transactions			✓
	• Funding arrangements			✓
	• Effective change process			✓
	• Effective dispute resolution			✓

notes

1 – The checklist represents one set of features which could meet Gas Act and GPS requirements. The checklist is in draft form, as it is merely intended to aid in discussion.

2 – Curtailment is not a feature of the draft balancing regulations, it is assumed to be a transportation tool rather than a commercial balancing tool.

3 – Another (possibly better) way of describing this is 'single tier allocation' i.e. BA>Causers rather than BA>Vector>Causers. So the 'piggie in the middle' situation that currently exists with Vector would be avoided.