

PROPOSED PROCEDURE CHANGE (PPC)

Summary Section

For Proponent or AEMO to complete. Template focuses on solution identification.

Issue Number	IN002-16		
Impacted Jurisdiction(s)	Queensland (QLD), South Australia (SA) and New South Wales / Australia Capital Territory (NSW/ACT).		
Proponent	Danny McGowan and Hugh Ridgway	Company	AEMO
Proponent e-mail	gdh@aemo.com.au	Proponent phone #	
Affected Gas Market(s)	• Retail and STTM	Date proposal sent to AEMO	Thursday, 18 October 2018
Short Issue Title	Proposed changes to the jurisdictional Retail Market Procedures (RMP) and STTM Procedure in light of the NGR change to harmonise the gas day.		

Other key contact information

VERSION #	PRESENTED TO	DATE
Eg. 1.0	GRCF	1 July 2009



PROPOSED PROCEDURE CHANGE (PPC) – DETAILED REPORT SECTION

1. DESCRIPTION OF CHANGE(S) AND REASONS FOR CHANGE(S)

In early 2017 the AEMC published a rule determination to harmonise the start time of the gas day used in the short-term trading market hubs and the gas supply hub trading locations with the gas day start time used in the Victorian declared wholesale gas market. Under the rule, the gas day in each market at each location will commence at 6.00 am Australian Eastern Standard Time (AEST). Click [here](#) to view the AEMC rule determination. This change will also result in standardising the next gas day nomination cut-over time which will be 3pm AEST.

In late 2017 the COAG Energy Council considered a range of reform recommendations put forward by Gas Market Reform Group's (GMRG) which include harmonising the start time of the gas day. Click [here](#) to view the GMRG final recommendation paper. At the November 2017 COAG Energy Council meeting, Ministers agreed with the full package of reforms put forward by GMRG which included a recommendation that harmonising the start time of the gas day changes take effect by 1 October 2019. The relevant National Gas Law (NGL) and National Gas Rule (NGR) changes are expected to be made by the SA Minister for Energy by the end of November 2018.

In September of 2018, AEMO kicked-off a program of work to review the impact of harmonising the start time of the gas day initiative. The following summaries AEMO's findings and proposed changes.

In terms of the Wholesale Market, AEMO has completed a review of the Short-Term Trading Market and the Gas Supply Hubs. This review revealed that there are no changes to the STTM Procedures. There will however be changes to the STTM Reports Specification. Updates will also be made to the Product Specifications contained in the Exchange Agreement for the Gas Supply Hubs. These documents don't come under the NGR procedure change consultation process. AEMO will e-mail the copies of these updated documents to the GRCF and GWCF in December 2018 for consideration. Impacts to AEMO wholesale gas IT systems are minimal. They involve configuration changes only.

In terms of the Retail Markets, AEMO has completed a review of the Retail Market Procedures¹ (RMP) for QLD, NSW/ACT and SA. This review revealed that changes to the RMP will be required. A summary of these changes are described in section 3 of this PPC. There will also be changes to AEMO Retail Market IT systems. These changes are minimal as they only involve configuration changes

The broad changes described in section 5 of this PPC will require transition plans to be developed. There will be a separate consultation for the procedure changes that will provide the necessary regulatory relief to facilitate the transition plans. This consultation is targeted to commence in Q1 2019.

Anyone wishing to make a submission for this first stage consultation are to use the response template provided in Attachment D. Submissions close 18 December 2018 and should be emailed to gdh@aemo.com.au.

2. REFERENCE DOCUMENTATION

- Retail Market Procedures (Queensland) (ver 16)
- Participant Build Pack 4 - Queensland Specific Build Pack (ver 11)
- Retail Market Procedures (NSW and ACT) (ver 19)
- Participant Build Pack 5 – NSW/ACT Specific Build Pack (ver 4)

¹ This includes the technical protocols mentioned in the Gas Interface Protocol and AEMO Speciation Pack Usage Guide.



- Retail Market Procedures (South Australia) (ver 13)
- SAWA Interface Control Document (ver 4.8)

3. THE HIGH LEVEL DETAILS OF THE CHANGE TO THE EXISTING PROCEDURES

This includes:

- A comparison of the existing operation of the Procedures to the proposed change to the operation of the Procedures.
- A marked up version of the Procedure change (see Attachment A).

There are no changes to the STTM Procedures.

The following is a summary of the Retail Market changes.

- Retail Market Procedures (Queensland)
 - Amend the gas day definition in clause 1.1.1 so that it refers to Part 26 of the NGR.
- Participant Build Pack 4 - Queensland Specific Build Pack
 - No changes were identified.
- Retail Market Procedures (NSW and ACT)
 - Amend the gas day definition in clause 1.2.1 so that it refers to Part 26 of the NGR.
 - Amend the collection time described in clause 3.1.5 (Meter reading frequency) so that the Network Operator is to collect the metering data for each of the daily metered delivery points at 6.00 am;
 - Amend the 6:30am time provisions in clause 7.2 (RoLR event) so that they are changed to 6:00am;
 - Amend clause 8.11.9 (STTM Distribution System Allocation – Daily Calculation) so that it refers to rule 422 of the Rules; and
 - Amend the footnote reference in clause A2.3 (EDD Calculation) so that the lag time hours take into account the 30min time difference.
- Participant Build Pack 5 – NSW/ACT Specific Build Pack (ver 4)
 - Amend section 6.8.2 so that the 11:00am ERFTSTTMPipelineAllocationDataRpt report generated by AEMO will be changed so it will be generated at 10:30am. This report is available only to AEMO.
- Retail Market Procedures (South Australia)
 - Amend the gas day definition in clause 1.1.1 so that it refers to Part 26 of the NGR.
 - Delete clause 6A (2) (d)
- SAWA Interface Control Document
 - No changes were identified.

4. CONSEQUENCES FOR MAKING OR NOT MAKING THE CHANGE(S)

These changes are to be made in line with the new Rule that will commence at 6:00am AEST on 1 October 2019. The consequence for not making the proposed changes will result in the jurisdictional RMP to be misaligned with the new Rule.

5. EXPLANATION REGARDING THE ORDER OF MAGNITUDE OF THE CHANGE(S) (EG: MATERIAL, NON-MATERIAL OR NON-SUBSTANTIAL)

AEMO's assessment in terms of the order of magnitude overall broad changes for gas day harmonisation is that this change will be *material*. This is because the broader change involves Distributors and Pipeline Operators making modifications to "onsite" meter reading equipment. Remote and manual adjustments



will be required depending on the type of metering on sites. Detailed transition plans will also need to be developed by participants.

The materiality of the changes to Retail Market IT system and process for AEMO and presumably, Retailers, Distributors and Pipeline Operators are less complex compared to the broader changes. AEMO is of the view these changes should be uncomplicated configurational IT changes therefore the order of magnitude in this instance is *non-material*.

6. LIKELY BENEFITS FOR INDUSTRY AS A WHOLE

Having consistent gas day start time across all jurisdiction that operate under the NGR will enable new participants to partake in these markets more easily.

The changes proposed will ensure that the three jurisdictional RMPs are aligned with the new legislative framework and, where possible, with each other. This provides consistency and harmonisation with both the new legislative framework and other jurisdictional gas markets.

7. THE LIKELY IMPLEMENTATION EFFECT OF THE PROPOSAL ON INDUSTRY IN GENERAL AND/OR ANY IDENTIFIED PARTIES (E.G. END-USERS)

As noted under section 5 of this PPC, AEMO, Retailers, Distributors and Pipeline Operators will be impacted by these changes. When implemented the benefits in section 6 of the PPC should be released.

8. TESTING REQUIREMENTS

As noted in section 1 of this PPC, AEMO and presumably, Retailers, Distributors and Pipeline Operators with need to modify their IT systems to comply with the harmonised gas day. AEMO's view is these IT system changes do not warrant a co-ordinated industry testing program or a bilateral testing program.

AEMO and Participants that make Retail Market IT system changes need to assess whether they need to recertify their systems. Click [here](#) for further details about maintaining and achieving technical certification for QLD and NSW, otherwise click [here](#) for further details on SA.

9. SUPPORTING DOCUMENTATION

See section 2, reference documentation. All documents are attached and marked-up for review.

10. IF APPLICABLE, A PROPOSED EFFECTIVE DATE FOR THE PROPOSED CHANGED PROCEDURES TO TAKE EFFECT AND JUSTIFICATION FOR THAT TIMELINE.

Subject to all necessary approval's AEMO is targeting to implement this initiative 6:00am AEST on 1 October 2019.

To achieve this timeline, AEMO proposes the following key milestones:

- Issue PPC on 21 November 2018.
- Submission on PPC close 18 December 2018.
- Issue IIR on 11 January 2019.
- Submission on IIR close 11 February 2019.
- AEMO decision on 1 March 2019.
- Effective date 1 October 2019 (6:00am AEST).



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AND STTM PROCEDURE IN LIGHT OF THE NGR CHANGE TO HARMONISE THE GAS DAY.



ATTACHMENT A – DOCUMENTATION CHANGES (SEE SECTION 3)

Blue represents additions Red and strikeout represents deletions – Marked up changes

- Retail Market Procedures (Queensland)
 - The draft version of the Retail Market Procedures showing tracked changes between the current version and the proposed changes is attached separately to this document.



ATTACHMENT B – DOCUMENTATION CHANGES (SEE SECTION 3)

Blue represents additions Red and strikeout represents deletions – Marked up changes

- Retail Market Procedures (NSW and ACT)
 - The draft version of the Retail Market Procedures showing tracked changes between the current version and the proposed changes is attached separately to this document.

- Participant Build Pack 5 – NSW/ACT Specific Build Pack
 - The draft version of Participant Build Pack 5 showing tracked changes between the current version and the proposed changes is attached separately to this document



PROPOSED PROCEDURE CHANGE (PPC)
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ATTACHMENT C – DOCUMENTATION CHANGES (SEE SECTION 3)

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- Retail Market Procedures (South Australia)
 - The draft version of the Retail Market Procedures showing tracked changes between the current version and the proposed changes is attached separately to this document.



ATTACHMENT D – PPC RESPONSE TEMPLATE

The IIR response template has been attached separately to this document.

There are two sections within the template. Section 1 seeks feedback on the on the PPC itself. Section 2 seeks feedback on each of the changes to each of the procedures.

Anyone wishing to make a submission for this first stage consultation are to use this response template. Submissions close 18 December 2018 and should be emailed to gdh@aemo.com.au.