

IMPACT & IMPLEMENTATION REPORT – SUMMARY SECTION
(For AEMO to complete and administer)

Issue Number			
Impacted Jurisdiction (s)	Victoria		
Proponent	Tim Abernethy	Company	AEMO
Affected Gas Markets(s)	Declared Wholesale Gas Market	Consultation process (Ordinary or Expedited)	Ordinary
Industry Consultative forum(s) used	GWCF	Date Industry Consultative forum(s) consultation concluded	26 October 2015
Short Description of change(s)	<p>The amendments to the Wholesale Market System Security Procedures (Victoria) include:</p> <ul style="list-style-type: none"> • Moving Table 1: An Overview of the Major System Pipelines from Chapter 5 to Chapter 2 to improve readability. • Updates to Table 1: An Overview of the Major System Pipelines to: reflect the current state of the declared transmission system (DTS), and to remove references to pipeline capacities. • Updates to Chapter 3: Normal Operating State to remove items that constitute a threat to system security from the definition of a normal operating state. • Addition of Chapter 4: Threat to System Security. • Remove section 5.2: Net exports into storage at Iona and 5.3: Net exports to NSW at Culcairn from Chapter 5: Monitoring by AEMO. • Addition of Chapter 5.8: SCADA System Availability to Chapter 5: Monitoring by AEMO. • Removal of Chapter 6: Critical Locations which has become a separate document, Wholesale Market Critical Location Pressures. • Changes to the Table 1: Critical Location Pressures within the Wholesale Market Critical Location Pressures to include additional critical location pressures, and pipeline maximum operating pressures. • General improvements to clarity. <p>New document: Wholesale Market Critical Location Pressures</p>		
Procedure(s) or Documentation impacted	Wholesale Market System Security Procedures (Victoria) NGR 1.1 Wholesale Market Critical Location Pressures 1.0		

Summary of the change(s)	The changes to the procedures are to: <ul style="list-style-type: none"> • Improve clarity and readability • To provide clarification around a normal operating state and threat to system security • Improve ability to update critical pressures 		
I&IR Prepared By	Tim Abernethy	Approved By	
Date I&IR published	28 September 2015	Date Consultation under 135EE	28 September 2015
Contact address for written responses	Tim Abernethy Australian Energy Market Operator GPO Box 2008 Melbourne VIC 3001		
Email Address for Responses	GWCF@aemo.com.au		
Other key contact information	Tim Abernethy Ph. 03 9609 8906		

IMPACT & IMPLEMENTATION REPORT – DETAILED REPORT SECTION

CRITICAL EXAMINATION OF PROPOSAL

1. Description of change(s) and reasons for change(s)

This IIR proposes changes to the Wholesale Market System Security Procedures (Victoria). The proposed changes are summarised below:

- Moving *Table 1: An Overview of the Major System Pipelines* from Chapter 5 to Chapter 2 to improve readability.
- Updates to *Table 1: An Overview of the Major System Pipelines* to: reflect the current state of the declared transmission system (DTS), and to remove references to pipeline capacities to avoid having to update the Procedures when system augmentations occur.
- Updates to *Chapter 3: Normal Operating State* to remove items that constitute a threat to system security (i.e. injecting LNG, declaring and emergency and curtailing load) from the definition of a normal operating state.
- Addition of Chapter 4: Threat to System Security to:
 - Highlight that a threat to system security may eventuate if a normal operating state cannot be maintained
 - AEMO’s responsibilities under the National Gas Rules (NGR) with respect to notifications to a threat to system security
 - Highlight AEMO’s responses to a threat to a system security under the NGR and the National Gas Law (NGL)
- Remove section 4.2: *Net exports into storage at Iona* and 4.3: *Net exports to NSW at Culcairn* from *Chapter 4: Monitoring by AEMO* as this chapter aims to present high level information as to the monitoring performed, rather than specific actions.
- Addition of *Chapter 5.8: SCADA System Availability* to address the statement in *Chapter 3: Normal Operating State* that “[for the DTS to be in a normal operating state] sufficient information must be available to assess to the status of the DTS.”
- Removal of *Chapter 5: Critical Locations* which has become a separate document, *Wholesale Market Critical Location Pressures*. This change allows minimum and maximum system operating pressures to be updated without having to complete the formal consultation process required by Procedures under the NGR.
- Changes to the *Table 1: Critical Location Pressures* within the *Wholesale Market Critical Location Pressures* to include additional critical location pressures, pipeline maximum operating pressures, and generally improve clarity.
- General improvements to clarity throughout the document.

<p>2. Reference documentation</p> <ul style="list-style-type: none"> ▪ Procedure Reference ▪ GIP/Specification Pack Reference ▪ Other Reference 	<ul style="list-style-type: none"> • Wholesale Market System Security Procedures (Victoria) NGR 1.0 • GWCF Paper 11-08-15 Wholesale Market System Security Procedures • National Gas Law • National Gas Rules Part 19: Declared Wholesale Gas Market Rules
<p>3. The high level details of the change(s) to the existing Procedures</p> <p>This includes:</p> <ul style="list-style-type: none"> ▪ 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) 	<p>Changes to the Procedures are grouped under the following three categories:</p> <p>A. Changes to the operation of the Procedures</p> <p>AEMO proposes to change the Wholesale Market System Security Procedures (Victoria) with respect to the following chapters:</p> <p>(a) Chapter 2 Nature of the Declared Transmission System</p> <ul style="list-style-type: none"> • Updated to include <i>Table 1: An Overview of the Major System Pipeline Zones</i> • Updates to <i>Table 1: An Overview of the Major System Pipeline Zones</i> to: <ul style="list-style-type: none"> ○ reflect the current status of the DTS ○ remove references to pipeline capacities so as to remove the requirement to update this Procedure as they change <p>(b) Chapter 3 Normal Operating State</p> <ul style="list-style-type: none"> • Updates to remove injection of LNG, declaring and emergency and curtailing load from the definition of a normal operating state, as these are responses to a threat to system security. <p>(c) New Chapter 4 Threat to System Security</p> <ul style="list-style-type: none"> • New section added to: <ul style="list-style-type: none"> ○ Highlight that a threat to system security may eventuate if a normal operating state cannot be maintained ○ Describe AEMO’s obligations under the NGR with respect to a threat to system security ○ Present AEMO’s potential responses to a threat to system security <p>(d) Chapter 5 Monitoring by AEMO</p> <ul style="list-style-type: none"> • Removal of <i>Net Exports into Storage at Iona and Net Exports to NSW at Culcairn</i> as the detail in these sections was deemed too fine to be presented here. • Updated to specify any actions that may be taken if monitoring were to alert AEMO of any potential deviation from a normal operating state. • Added section <i>5.8 SCADA System Availability</i> to address to the comment in Chapter 3 that a normal operating state requires there to be sufficient information available to assess the state of the DTS.

	<p>(e) Chapter 6 Critical Location Pressures</p> <ul style="list-style-type: none"> Moved Chapter to new document, Wholesale Market Critical Location Pressures. This allows the critical location pressures to be updated without going through the normal consultation process usually required for Procedures under the NGR. <p>B. Changes to improve clarity of the Procedures</p> <p>(a) GLOSSARY</p> <ul style="list-style-type: none"> Added new terms and acronyms <p>(b) Chapter 1.3 Related Documents</p> <ul style="list-style-type: none"> Table of related documents added <p>(c) Chapter 2 Nature of the Declared Transmission System</p> <ul style="list-style-type: none"> Figure 1 updated to reflect the current configuration of the DTS. Graphics in Table 1 updated to reflect the current configuration of the DTS Contents of Table 1 updated to reflect the current configuration of the DTS <p>(d) Chapter 3 Normal Operating State</p> <ul style="list-style-type: none"> Section amended to highlight that the gas quality specifications are found in the Gas Quality Guidelines Amended to clarify that on a threat to public safety due to a gas supply or consumption issue may create a threat to system security Amended to clarify that b) and c) align with the definition of an emergency such that a normal operating state and an emergency cannot coexist. Minor changes to improve clarity <p>(e) Chapter 5 Monitoring by AEMO</p> <ul style="list-style-type: none"> Section amended to detail responses to deviations from a normal operating state that are identified by AEMO. Minor wording changes to improve clarity <p>C. Minor editorial changes</p> <p>Minor editorial changes have occurred in various chapters</p>
<p>4. Explanation regarding the order of magnitude of the change (eg: material, non-material or non-substantial)</p>	<p>The proposed changes are for clarification and ease of update purposes. Given this, the magnitude of the change is non-material.</p>

ASSESSMENT OF LIKELY EFFECT OF PROPOSAL	
5. Overall Industry Cost /	<u>Costs:</u>

<p>benefit (tangible / intangible / risk) analysis and/or cost estimates</p>	<ul style="list-style-type: none"> • No costs to market participants or AEMO as a result of the proposed changes. <p><u>Benefits:</u> The proposed changes would benefit the Industry for the following reasons:</p> <ul style="list-style-type: none"> • Clarification given around AEMO’s responses to threats to system security. • Clarification given around what constitutes a normal operating state and how that relates to a threat to system security. • Transparent and accurate critical minimum and maximum operating pressures that can be updated regularly through their inclusion in a separate document.
<p>6. The likely implementation effect of the change(s) on stakeholders (e.g. Industry or end-users)</p>	<p>The implementation of the proposed changes will achieve the benefits as outlined in Section 5 of this IIR.</p>
<p>7. Testing requirements</p>	<p>No testing requirements</p>
<p>8. AEMO's preliminary assessment of the proposal's compliance with section 135EB:</p> <ul style="list-style-type: none"> - consistency with NGL and NGR, - regard to national gas objective - regard to any applicable access arrangements 	<p><u>Consistency with NGL and NGR</u> AEMO’s view is that the proposed changes described in this document are consistent with the National Gas Law (NGL) and the National Gas Rules (NGR).</p> <p>The proposed Procedure change promotes efficient operation and use of natural gas services for the long term interest of consumers of natural gas with respect to quality, safety, reliability and security of supply by improving the communications and transparency around AEMO’s obligations and responses to threats to system security, monitoring taken to identify a threat to system security and outlining the operating limits within which AEMO aim to maintain the DTS.</p>
<p>9. Consultation Forum Outcomes (e.g. the conclusions made on the change(s) whether there was unanimous approval, any dissenting views)</p>	<p>The Gas Wholesale Consultative Forum (GWCF) is a standing forum for providing effective and efficient consultation with stakeholders on development of the Victorian Gas Wholesale Market. The GWCF is an open forum and all interested parties may attend the GWCF and participate in the meetings.</p> <p>AEMO discussed this procedure change with the GWCF at its meetings on 11 August 2015 and it has been the subject of the following paper: GWCF 11-08-15 - Wholesale Market System Security Procedures</p> <p>These papers and minutes of those meetings are available through the following link – GWCF Proceedings. There was support to make the procedure changes by the GWCF attendees.</p>

RECOMMENDATION(S)

<p>10. Should the proposed Procedures be made, (with or without amendments)?</p>	<p>Taking into account the consultation that has occurred, AEMO recommends the proposed Procedures change should be made as described in Attachment A, and the new document created as described in Attachment B.</p>
<p>11. If applicable, a proposed effective date for the proposed change(s) to take effect and justification for that timeline.</p>	<p>As per the ordinary consultative procedure, interested parties have 20 business days from the date of this notice to provide written submissions on this decision (26 October 2015). AEMO proposes an effective date of 9 <u>November 2015</u> subject to further feedback from stakeholders.</p>

**ATTACHMENT A – WHOLESALE MARKET SYSTEM SECURITY PROCEDURES
(VICTORIA) NGR 1.1**

**ATTACHMENT B – WHOLESALE MARKET CRITICAL LOCATION PRESSURES
1.0**