

PROPOSED PROCEDURE CHANGE (PPC) – SUMMARY SECTION
(For Proponent or AEMO to complete. Template focuses on solution identification)

Issue Number	IN001/16		
Impacted Jurisdiction(s)	NSW-ACT		
Proponent	Deep Juneja	Company	AEMO
Proponent e-mail	Deep.juneja@aemo.com.au	Proponent phone	02 9239 9109
Affected Gas Market(s) <ul style="list-style-type: none"> ▪ Retail ▪ Wholesale ▪ Bulletin Board ▪ STTM 	NSW/ACT Retail	Date proposal sent to AEMO	19/05/2016
Short Title	NSW-ACT RMP changes for Shoalhaven contestability		
Other key contact information	grcf@aemo.com.au		

PROPOSED PROCEDURE CHANGE (PPC) – DETAILED REPORT SECTION

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

This Proposed Procedure Change (PPC) is to facilitate contestability in the NSW Shoalhaven gas network. The changes involve removing the exemption for this network from the NSW-ACT Retail Gas Market Procedures (Procedures) obligations.

The PPC has been developed by AEMO after consultation with NSW-ACT gas Retailers and Network Operators (NWO).

AEMO has scheduled a PPC meeting on 7th September 2016 to obtain further feedback on the proposed Procedures amendments prior to issuing the Impact and Implementation Report (IIR). AEMO is targeting December 2016 to publish its final determination. Meeting invites have already been issued to the interested NSW-ACT participants. However, anyone else wanting to attend this workshop should e-mail GRCF@aemo.com.au before COB 31st August 2016.

Submissions for the PPC consultation close on **5th October 2016**. AEMO requests that all submissions be emailed to GRCF@aemo.com.au. Please use the response template provided in **Attachment A**.

Background:

The Shoalhaven network has been recognised as a non-contestable network in the Procedures since the start of Full Retail contestability in NSW-ACT.

The network currently has approximately 3000 MIRNs that are serviced by ActewAGL Retail (managed by AGL), while ActewAGL Distribution (managed by Jemena) is the responsible network operator. All the data pertaining to this network is currently managed by Jemena, with no interaction with AEMO systems.

In late October 2015, AEMO received a letter from the NSW Minister for Industry, Resources and Energy, requesting AEMO to incorporate Shoalhaven as a contestable network in time to support NSW price de-regulation, scheduled for 1 July 2017.

Since receiving this letter, AEMO has undertaken several discussions on this topic with the participants and service providers, noted above, and the NSW Department for Industry, Resources and Energy (NSW Department).

AEMO provided a high level impact assessment of the related changes to the NSW Department on 8 February 2016, this included assessments provided by impacted NSW and ACT Market Participants. In accordance with this assessment, it was agreed with the NSW Department that AEMO would commence the necessary changes to the Procedures via consultation with the PPC being released in August 2016 and with AEMO releasing the final decision in December 2016. The system implementation is proposed to be completed in late March 2017 in time to support price deregulation by 1 July 2017.

At the time of preparing this PPC no Participant has advised AEMO that it would not be in a position to be able to incorporate these

	changes in time for the proposed 29 th March 2017 system implementation.
2. Reference documentation <ul style="list-style-type: none"> ▪ Procedure Reference ▪ GIP/Specification Pack Reference ▪ Other Reference 	<ul style="list-style-type: none"> ▪ Retail Market Procedures (NSW-ACT) (see attachment B) ▪ Participant Build Pack 5 (see attachment C) ▪ Register of Balancing Arrangements (see attachment D)
3. The high level details of the change to the existing Procedures <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 Procedures change (see Attachment B). 	<p>This initiative will entail a Procedure change consultation to:</p> <ol style="list-style-type: none"> 1. Remove Procedures clause 1.1.1(b) pertaining to the exemption for Shoalhaven from the Procedures. 2. Update NSW-ACT specific Participant Build Pack 5 to add reference to the Shoalhaven network. 3. Update NSW-ACT Register of Balancing arrangements to include Shoalhaven as a 'No-Balancing' network section. <p>The proposed documentation changes have been included in attachment B, C and D of this document.</p> <p>The changes contemplated in this PPC also require IT system changes for AEMO and Retailers and the Network Operator. System changes identified to-date would include:</p> <ol style="list-style-type: none"> 1. AEMO systems to create Shoalhaven as a new No-Balancing network section and corresponding Network Receipt Point(s), and assigning ActewAGL Distribution as the Network Operator. 2. ActewAGL Distribution to convert non-standard Shoalhaven MIRNs to the standard MIRN range used by ActewAGL Distribution. 3. ActewAGL Distribution to provide Shoalhaven MIRNs and associated historical bulk standing data to AEMO, and AEMO to validate and upload this data in its systems. 4. AEMO to update relevant market reports with the new network section. 5. ActewAGL Distribution to update their systems contestability compliant for Shoalhaven. 6. Retailers to update their systems to ensure they can identify the Shoalhaven network and send and receive transactions for this network using AEMO's FRC Hub for business to business (B2B)¹ and business to market operator (B2M)² transactions.
4. Consequences for making or not	Making these changes is expected to:

¹ B2B means transaction exchanged between Retailers and the Network Operator or vice versa.

² B2M means transaction exchanged between Retailers or Network Operator and the Market Operator being AEMO or vice versa.

<p>making the change(s)</p>	<ul style="list-style-type: none"> • Assist in standardisation of B2B and B2M interfaces across the NSW-ACT market, facilitating consolidation of Participants' internal systems; • Improve industry system reliability and support for participants in managing end customers, as standardised business processes are likely to ensure improved reliability and integrity of data update and delivery processes; and • Potentially lower the cost of entry for participants operating in other NSW and ACT networks and other jurisdictions that wish to enter the Shoalhaven network. <p>If these changes are not progressed the likely impacts are:</p> <ul style="list-style-type: none"> • AEMO unable to meet this regulatory driven change as per the NSW Minister's direction. Non delivery of this change would result in non-compliance for AEMO and impacted participants. • Shoalhaven distribution network remains an non-contestable network and the benefits expected to enhance retail competition for consumers and support price de-regulation would not be delivered.
<p>5. Explanation regarding the order of magnitude of the change(s) (eg: material, non-material or non-substantial)</p>	<p>The proposed changes to documentation are minor in nature.</p> <p>AEMO envisages the AEMO associated system-related changes are not extensive as NSW-ACT market currently has another 41 No-Balancing networks.</p> <p>The changes are required in order to give effect to a NSW policy decision to ensure full retail contestability is applied in all areas of the State from 1 July 2017.</p>
<p>6. Likely benefits for industry as a whole</p>	<ol style="list-style-type: none"> 1. Provide an efficient market outcome for Retailers and the Network Operator (ActewAGL Distribution), whereby they can utilise standardised business process and IT systems to transact for Shoalhaven. 2. Enabling Shoalhaven distribution network to become a contestable network is expected to enhance retail competition for consumers and support price de-regulation. 3. Ensures regulatory compliance with NSW Minister's request to make Shoalhaven a contestable network.
<p>7. The likely implementation effect of the proposal on Industry in general and/or any identified parties (e.g. end-users)</p>	<p>These proposed changes are likely to improve industry system reliability and support for participants in managing end customers, as standardised business processes are likely to ensure improved reliability and integrity of data update and delivery processes.</p>

<p>8. Testing requirements</p>	<p>As a minimum, AEMO recommends impacted Participants recertify their IT systems prior to go live</p> <p>Participants will need to consider independently if they will need to organise and participate in bi-lateral testing.</p>
<p>9. Supporting Documentation</p> <p>(attach if necessary)</p>	<p>Please refer to the attachments.</p>
<p>10. If applicable, a proposed effective date for the proposed changed Procedures to take effect and justification for that timeline.</p>	<p>AEMO proposes that its consultation and decision will proceed in accordance with the following indicative timeline:</p> <ul style="list-style-type: none"> • 23 August 2016 – PPC issued for industry consultation. • 5 October 2016 – Consultation closes for PPC. • 19 October 2016 – IIR issued for consultation. • 16 November 2016 – Consultation closes for IIR. • 14 December 2016 – AEMO publishes Notice of Decision • 8 March 2017 – Effective date notification • 29 March 2017 – Target date for go-live of systems and the effective date for the documentation changes. <p>Feedback on the proposed changes to the documentation as described in attachment B, C and D is to be emailed to AEMO (GRCF@aemo.com.au) before COB 5 October 2016. Please use the response template provided in Attachment A.</p>

Attachment A

PPC Response Template for IN001-16 NSW-ACT RMP changes for Shoalhaven contestability

Review comments submitted by: **<insert company name>**

Date: **<insert date>**

Contact Person: **<insert contact name>**

Participants are to complete the relevant columns below in order to record their response.					
RMP PBP5, Register etc.?	Clause/ Section ref	Issue / Comment	Proposed text Red strikeout means delete and <u>blue underline</u> means insert	Rating³ (H/M/L)	AEMO Response (AEMO only)

³ L = Low: - Not critical. Issues / Comments are minor. They add clarity to the document. No major concern if not included in any further revisions
M = Medium: - Important. Strong case that issue / comments should be consider and an update to the document is desirable, but not critical.
H = High – Critical. The issue / comments are fundamental and failure to make necessary changes has the potential to impact consensus.

***** Use this section to raise points that aren't specific to a RMP / PBP5/ Register of Balancing Arrangements clause / section**

ATTACHMENT B

Proposed changes: NSW-ACT RETAIL MARKET PROCEDURES

~~Red strikeout~~ means delete and

blue underline means insert

1.1.1 Excluded network sections

These Procedures apply to the *network sections* situated in all local government areas referred to in any reticulator's authorisation granted under the *Gas Supply Act 1996* of New South Wales, and all areas referred to in any licence to supply or distribute *gas* under the *Utilities Act 2000* of the Australian Capital Territory, except for:

~~(a)~~ the local government areas in which the distribution systems (as defined in the *Gas Supply Act*) for Albury and Tweed Shire are situated; ~~and~~

~~(b) — the Shoalhaven network section.~~

ATTACHMENT C

Proposed changes: PARTICPANT BUILD PACK 5 - NSW-ACT

~~Red strikeout~~ means delete and

blue underline means insert

4. Reference to applicable Network Operator and treatment of multiple meters

NetworkID	Network	Network known as
ACTCANBERRA	ACTEW	ACT gas network
<u>NSWSHOALHAVN</u>	<u>ACTEW</u>	<u>NSW gas network</u>
NSWCOOMA	COUNTRY	Australian Gas Networks Limited (AGNL)
...		

ATTACHMENT D

Proposed changes: NSW-ACT Register of Balancing Arrangements

~~Red~~ ~~strikeout~~ means delete and

blue underline means insert

NSW AND ACT GAS RETAIL MARKET

SCHEDULE 1

Register of Balancing Arrangements as required under Clause 8.2 of Retail Market Procedures (NSW and ACT)

NetworkSectionId	NetworkId	Balancing Arrangement	Effective Date
ACTCANBERRA	ACTEW	Balanced – No OBA	1 February 2004
NSWCOOMA	COUNTRY	No Balancing	1 January 2002
...			
NSWSALLYSCNR	AGLGN	No Balancing	1 January 2002
<u>NSWSHOALHAVN</u>	<u>ACTEW</u>	<u>No Balancing</u>	<u>29 March 2017</u>
NSWTAMWORTH	NSWCR	No Balancing	15 May 2006
....			