

PROPOSED PROCEDURE CHANGE (PPC)

Summary Section

Issue Number	IN009-18		
Impacted Jurisdiction(s)	Queensland (QLD), South Australia (SA) and New South Wales / Australia Capital Territory (NSW/ACT)		
Proponent	Danny McGowan and Roger Shaw	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 transitional provisions for the jurisdictional Retail Market Procedures (RMP) in light of the NGR change to harmonise the gas day.		

Other key contact information

VERSION #	PRESENTED TO	DATE
Eg. 1.0	GRCF and GWCF	18/03/2019



PROPOSED PROCEDURE CHANGE (PPC)

1. DESCRIPTION OF CHANGES AND REASONS FOR CHANGES

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). In late 2017 the COAG Energy Council considered a range of reform recommendations put forward by Gas Market Reform Group (GMRG) which include introducing the standard gas day harmonising the start time of the gas day at 6:00am AEST. 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 from 6am AEST on 1 October 2019. Changes to the National Gas Law (NGL) and National Gas Rules (NGR) were made by the SA Minister for Energy on 22 November 2018. Click [here](#) to view these amendments.

In late 2018, AEMO kicked off a three-staged program of work to review the impact of harmonising the start time of the gas day initiative. The first stage of the review included what (if any) Wholesale and Retail market changes are required. The outcome of the review, including AEMO final decision on the proposed changes, can be viewed [here](#).

The second stage of the review included developing a Transition Plan that describes the activities that AEMO and Market Participants are required to perform to facilitate a successful and smooth transition to the harmonised gas day. A draft of this Transition Plan can be viewed [here](#). A final Transition Plan will be published on AEMO website by 1 April 2019.

AEMO recently commenced the third stage of the program which involved considering what transitional provisions will be required for the Retail market to underpin a successful and smooth transition.

AEMO has now completed a review of the Retail Market Procedures (RMP) for QLD, NSW/ACT and SA. This review revealed that transitional provisions to the RMP will be required. Two key factors necessitating the need for transitional provisions are:

- (i) The requirement to provide regulatory relief for Participants for the shorter gas day that occurs on the 30 September 2019.
- (ii) Further transparency on the New Operators and Pipeline Operator transition plans in terms of how they will treat the interval metering data for the shorter gas day and the current gas day if they have re-configured interval meters to the standard gas day.

A summary of these changes are described in Section 3 of this PPC.

Anyone wishing to make a submission for this first stage consultation are to use the response template provided in Attachment D. Submissions close 29 March 2019 and should be emailed to gdh@aemo.com.au.

2. REFERENCE DOCUMENTATION

The following documents are referenced in this PPC:

- Retail Market Procedures (Queensland) (ver 16).
- Retail Market Procedures (NSW and ACT) (ver 19).
- Retail Market Procedures (South Australia) (ver 13).
- Gas Day Harmonisation - Transition Plan (Draft) (ver 0.3).



3. HIGH-LEVEL OVERVIEW OF THE CHANGES TO EXISTING PROCEDURES

The following provides an overview of the Retail Market changes:

- Retail Market Procedures (South Australia):
 - Add a new Chapter (Chapter 12) that describes the transitional provisions that supports the boarder AEMO, Network Operator and Pipeline Operators transition plans for gas day harmonisation.
 - Add a note to the *Gas Day* definition in clause that reference the new Chapter 12B provisions.
- Retail Market Procedures (Queensland):
 - Add a new Chapter (Chapter 12) that describes the transitional provisions that supports the boarder AEMO and Distributors transition plans for gas day harmonisation.
 - Add a note to the *Gas Day* definition in clause 1.1.1 that reference the new Chapter 12 provisions.
- Retail Market Procedures (NSW and ACT):
 - Add a new Chapter (Chapter 12B) that describes the transitional provisions that supports the boarder AEMO and Distributors transition plans for gas day harmonisation.
 - Add a note to the *Gas Day* definition in clause 1.2.1 that reference the new Chapter 12B provisions.

Attachments A to C provide the full details of the proposed changes to the RMPs.

4. CONSEQUENCES FOR MAKING OR NOT MAKING THE CHANGES

The proposed changes to the RMPs are required to facilitate the transition to the new Rule ((Capacity Trading and Auctions) Amendment Rule 2018, Rule 364) that will commence at 6:00am AEST on 1 October 2019. The consequence for not making the proposed changes will result in:

- (i) Participants becoming non-complaint with the relevant RMP for gas day 30 September 2019.
- (ii) Participants potentially becoming non-compliant if interval meters are re-configured to the standard gas day prior to implementation of the standard gas day.
- (iii) Jeopardise the overall aim of industry to facilitate a successful and smooth transition to the harmonised gas day.

5. EXPLANATION REGARDING THE ORDER OF MAGNITUDE OF THE CHANGES

AEMO's assessment in terms of the order of magnitude to implement a harmonised gas day is that this change will be 'material'. This is because the changes involve 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 Network and Pipeline Operators by 30 June 2019.

The materiality of the changes to Retail Market IT systems and processes for AEMO and presumably, the 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, meaning that the order of magnitude from an IT system is 'non-material'.



6. LIKELY BENEFITS FOR INDUSTRY AS A WHOLE

Having a consistent gas day start time across all jurisdictions that operate under the NGR will enable new participants to participate 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 gas day legislative framework and other jurisdictional gas markets.

From the perspective of the RMP changes described in the Attachments, the transitional provisions provide the necessary regulatory relief for Participants as well as a regulatory framework to facilitate a successful and smooth transition to the harmonised gas day.

7. IMPLEMENTATION IMPACTS

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 will be required to modify their IT systems to comply with the harmonised gas day. AEMO's view is these IT system changes do not require either a co-ordinated industry testing program, or a bilateral testing program.

AEMO and Participants that make Retail Market IT system changes should 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

Section 2 provides a list of all reference documentation for this PPC. All documents are attached and marked-up for review.

10. PROPOSED EFFECTIVE DATE FOR THE PROPOSED CHANGED PROCEDURES TO TAKE EFFECT

Subject to all necessary approvals, AEMO is targeting to implement this initiative on Friday 28 June 2019. In order to achieve this timeline, AEMO proposes the following key milestones:

- Issue PPC on 18 March 2019.
- Submission on PPC closes 29 March 2019.
- Issue IIR on 12 April 2019.
- Submissions on IIR close 15 May 2019.
- AEMO decision on 29 May 2019.
- Effective date Friday 28 June 2019.



ATTACHMENT A – DOCUMENTATION CHANGES (SEE SECTION 3)

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

- Retail Market Procedures (South Australia)

Extract from clause 2.

“gas day” means the 24 hour period starting at 0600 hours on a day and ending at 0600 hours on the following day.

[Note: The meaning of the term “gas day” for 30 September 2019 is described in clause 419]

New Chapter.

CHAPTER 12 - TRANSITIONAL PROVISIONS

419. Gas Day Harmonisation

(a) In relation to clause 2:

- (i) the “gas day” for 30 September 2019 gas day is the 23.5 hour period starting at 0600 hours ACST (0630 hours AEST) on 30 September 2019 and ending at 0530 hours ACST (0600 hours AEST) on 1 October 2019.
- (ii) the “interval-meter demand profile” provided under clause 202(1) for the 30 September 2019 gas day must comprise 24 numbers which sum to 1 and are the user’s estimate, for each hour in the gas day, of the proportion of its forecast interval-metered withdrawals which will be withdrawn during the hour provided that the last hour of the 30 September 2019 gas day will be the user’s estimate of the proportion of its forecast interval-metered withdrawals for the period from 5:30am to 6:00am AEST.
- (iii) “interval meter” means a meter which: (a) is read by means of telemetry; and (b) aggregates the flow of gas across time, and records that flow for each hour provided that for the 30 September 2019 gas day the meter will record flow for the period from 5:30am to 6:00am AEST instead of the period from 5:30am to 6:30am.
- (iv) “meter reading data” means the data actually obtained by reading a meter physically or by telemetry, and includes: (a) for a basic meter — the index reading; and (b) for an interval meter — the corrected volume of gas delivered in each hour (provided that the last hour of the 30 September 2019 gas day will only be for the period from 5:30am to 6:00am AEST), and such other data as is required for verification by a network operator or provided by the meter in normal circumstances. {Note: The data obtained from different types of interval meter varies.}
- (v) “Standard gas day” means the standard gas day as defined in Part 26 of the National Gas Rules.



- (b) In relation to the last hour of the 30 September 2019 gas day, a reference in these Procedures to “each hour” in a gas day will be taken to mean the period from 5:30am to 6:00am AEST instead of the period from 5:30am to 6:30am AEST.
- (c) For the purpose of clause 160(2) and 162 of these Procedures, for each occasion on which these Procedures require a network operator to provide a current user or AEMO with metering data for an interval-metered delivery point, the network operator must provide an energy value that is an estimated value:
- (i) For a gas day commencing before the end of the Part 26 transition period - if an interval meter has been reconfigured to aggregate and record flow for each hour of the standard gas day, estimated using hourly metering data aggregated and recorded for each hour of the standard gas day, and
 - (ii) For a gas day commencing on or after the Part 26 transition date - if an interval meter has not been reconfigured to aggregate and record flow for each hour of the standard gas day, estimated using hourly metering data aggregated and recorded for each hour of the gas day in use at the interval meter on that gas day .
- [Note: The estimated value will not be determined under clause 156(2) of these Procedures using an estimation methodology set out (a) in sections 2.2.3 and 2.2.4 of Appendix 2]

- (d) Network operators and pipeline operators must include the following information in their transition arrangements under schedule 5, part 6, rule 4 of the National Gas Rules:

<p><u>Meter reconfiguration scenarios</u></p>	<ul style="list-style-type: none"> • <u>Interval meters or physical gate point that have not been reconfigured to measure and record for a standard gas day.</u> • <u>Interval meters or physical gate point that have been reconfigured to measure and record for a standard gas day.</u> <p>[Note: Before the Part 26 transition date, interval meters that have been reconfigured to measure and record for a standard gas day or for each hour or other interval based on a standard gas day will still be required to provide metering data under these Procedures for each hour of a gas day that is not a standard gas day (being the 24 hour period starting at 0600 hours ACST (0630 hours AEST) on 30 September 2019 and ending at 0600 hours ACST (0630 hours AEST)]</p>
<p><u>Meter readings</u></p>	<p><u>For each of the meter reconfiguration scenarios above, a description of how the network operator and pipeline operator will obtain a meter reading or physical gate point metering data for interval meters or physical gate points prior to the 30 September gas day, for the 30 September 2019 gas day and the 1 October 2019 and subsequent gas days</u></p>



<p><u>Estimated meter readings</u></p>	<p><u>For each of the meter reconfiguration scenarios above, a description of how the <i>network operator</i> and <i>pipeline operator</i> will determine an <i>estimated value</i> if a <i>meter reading</i> or <i>physical gate point metering data</i> is unable to be obtained for <i>interval meters</i> or <i>physical gate point</i> prior to the 30 September <i>gas day</i>, for the 30 September 2019 <i>gas day</i> and the 1 October 2019 and subsequent <i>gas days</i></u></p> <p><u>[Note: An estimated value can be required where a <i>meter reading</i> or <i>physical gate point metering data</i> cannot be obtained or where the meter has been reconfigured]</u></p>
<p><u>Hourly metering data</u></p>	<p><u>For each of the meter reconfiguration scenarios above, a description of how the <i>network operator</i> and <i>pipeline operator</i> will ensure that metering data or <i>physical gate point metering data</i> is provided for the last hourly interval for <i>gas day</i> 30 September 2019 will only include data for the period from 5:30am to 6:00am AEST.</u></p>
<p><u>Reporting</u></p>	<p><u>A description of the regular reporting that will be published by the <i>network operator</i> and <i>pipeline operator</i> and provided to AEMO by the <i>network operator</i> and and <i>pipeline operator</i> of the scheduling, progress and completion of <i>interval meter</i> and <i>physical gate point</i> reconfigurations which must include:</u></p> <ul style="list-style-type: none"> • <u>the dates or periods during which <i>meters</i> are scheduled to be reconfigured to measure and record for a <i>standard gas day</i> and the date or period when reconfiguration was completed</u> • <u>reporting of scheduling and completion of <i>meter</i> reconfiguration should identify the <i>meters</i> by <i>MIRN</i> only</u> • <u>the method of completion of <i>meter</i> reconfiguration (e.g. service orders to be sent, impacts on <i>meter</i> data files)</u> • <u>Details of contingency plans to substitute metering data being measured prior to the reconfiguration of the <i>meter</i> with estimates after the <i>meter</i> has been reconfigured.</u> <p><u>[Note: Reporting information that is to be provided to AEMO is to be sent to the following e-mail address – gdh@aemo.com.au. Reporting information that AEMO receives will be published on AEMO’s Gas Day Harmonisation website page.]</u></p>



ATTACHMENT B – DOCUMENTATION CHANGES (SEE SECTION 3)

Blue underline represents additions **Red** and ~~strikeout~~ represents deletions – Marked up changes

- Retail Market Procedures (Queensland)

Extract from clause 1.1.1

gas day A period of 24 consecutive hours beginning at 8:00 am.

[Note: The meaning of the term “gas day” for 30 September 2019 is described in clause 12.1 (a) (i)]

New Chapter.

CHAPTER 12 - TRANSITIONAL PROVISIONS

12. 1 Gas Day Harmonisation

(a) In relation to clause 1.1.1

- (i) the term “gas day” for the 30 September 2019 is a period of 22 consecutive hours beginning at 8:00 am AEST.
- (ii) “Standard gas day” means the standard gas day as defined in Part 26 of the Rules.

(b) Distributor must include the following information in their transition arrangements under schedule 5, part 6, rule 4 of the Rules:

<p><u>Meter reconfiguration scenarios</u></p>	<ul style="list-style-type: none"> • <u>Interval meter or custody transfer meter that have not been reconfigured to measure and record for a standard gas day.</u> • <u>Interval meters or custody transfer meter that have been reconfigured to measure and record for a standard gas day.</u> <p>[<u>Note: Before the Part 26 transition date, interval meters or custody transfer meter that have been reconfigured to measure and record for a standard gas day or for each hour or other interval based on a standard gas day will still be required to provide metering data under these Procedures for each hour of a gas day that is not a standard gas day (being the 24 hour period starting at 0800 hours AEST) on 30 September 2019 and ending at 0800 hours AEST)]</u></p>
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<p><u>Meter readings</u></p>	<p><u>For each of the meter reconfiguration scenarios above, a description of how the distributor will obtain a meter reading or custody transfer meter metering data for interval meters or custody transfer meter prior to the 30 September gas day, for the 30 September 2019 gas day and the 1 October 2019 and subsequent gas days.</u></p>
<p><u>Estimated meter readings</u></p>	<p><u>For each of the meter reconfiguration scenarios above, a description of how the distributor will determine an estimated meter reading if a meter reading or custody transfer meter metering data is unable to be obtained for interval meters or physical gate point prior to the 30 September gas day, for the 30 September 2019 gas day and the 1 October 2019 and subsequent gas days</u></p> <p><u>[Note: An estimated value can be required where a meter reading or physical gate point metering data cannot be obtained or where the meter has been reconfigured]</u></p>
<p><u>Reporting</u></p>	<p><u>A description of the regular reporting that will be published by the distributor and provided to AEMO by the distributor of the scheduling, progress and completion of interval meter and custody transfer meter reconfigurations which must include:</u></p> <ul style="list-style-type: none"> • <u>the dates or periods during which meters are scheduled to be reconfigured to measure and record for a standard gas day and the date or period when reconfiguration was completed</u> • <u>reporting of scheduling and completion of meter reconfiguration should identify the meters by MIRN only</u> • <u>the method of completion of meter reconfiguration (e.g. service orders to be sent, impacts on meter data files)</u> • <u>Details of contingency plans to substitute metering data being measured prior to the reconfiguration of the meter with estimates after the meter has been reconfigured.</u> <p><u>[Note: Reporting information that is to be provided to AEMO is to be sent to the following e-mail address – gdh@aemo.com.au. Reporting information that AEMO receives will be published on AEMO’s Gas Day Harmonisation website page.]</u></p>



ATTACHMENT C – DOCUMENTATION CHANGES (SEE SECTION 3)

Blue underline represents additions **Red** and ~~strikeout~~ represents deletions – Marked up changes

- Retail Market Procedures (NSW/ACT)

Extract from clause 1.2.1

gas day A period of 24 consecutive hours beginning at 6:30 am.

[Note: The meaning of the term “gas day” for 30 September 2019 is described in clause 12B.1 (a) (i)]

New Chapter.

CHAPTER 12B - TRANSITIONAL PROVISIONS

12B.1 Gas Day Harmonisation

(a) In relation to clause 1.2.1:

- the “gas day” for 30 September 2019 gas day is A period of 23.5 consecutive hours beginning at 06:30 AEST on 30 September 2019 and ending at 0600 AEST on 1 October 2019.
- “Standard gas day” means the standard gas day as defined in Part 26 of the rules.

(b) In relation to the last hour of the 30 September 2019 gas day, a reference in these Procedures to “each hour” in a gas day will be taken to mean the period from 5:30am to 6:00am AEST instead of the period from 5:30am to 6:30am AEST.

(c) For the purpose of clause 3.1.6 (b) of these Procedures, for each occasion on which these Procedures require a network operator to obtain hourly volumes, the network operator provide an energy value that is an estimated value:

- For a gas day commencing before the end of the Part 26 transition period - if an interval meter has been reconfigured to aggregate and record flow for each hour of the standard gas day, estimated using hourly metering data aggregated and recorded for each hour of the standard gas day, and
- For a gas day commencing on or after the end of the Part 26 transition period - if an interval meter has not been reconfigured to aggregate and record flow for each hour of the standard gas day, estimated using hourly metering data aggregated and recorded for each hour of the gas day in use on that gas day.

[Note: The estimated hourly volumes will not be determined under clause 3.1.6 (b) of these Procedures using an estimation methodology set out attachment 2]



(d) Network operators must include the following information in their transition arrangements under schedule 5, part 6, rule 4 of the National Gas Rules:

<p><u>Meter reconfiguration scenarios</u></p>	<ul style="list-style-type: none"> • <u>Interval meters, daily metered or network receipt points that have not been reconfigured to measure and record for a standard gas day.</u> • <u>Interval meters, daily metered or network receipt points that have been reconfigured to measure and record for a standard gas day.</u> <p>[Note: Before the Part 26 transition date, <u>interval meters, daily metered or network receipt points</u> that have been reconfigured to measure and record for a standard <u>gas day</u> or for each hour or other interval based on a standard <u>gas day</u> will still be required to provide <u>metering data</u> under these Procedures for each hour of a <u>gas day</u> that is not a <u>standard gas day</u> (being the 24 hour period starting at 0630 hours AEST on 30 September 2019 and ending at 0630 hours AEST)]</p>
<p><u>Meter readings</u></p>	<p><u>For each of the meter reconfiguration scenarios above, a description of how the network operator will obtain a meter reading for interval meters, daily metered or network receipt points prior to the 30 September gas day, for the 30 September 2019 gas day and the 1 October 2019 and subsequent gas days</u></p>
<p><u>Estimated meter readings</u></p>	<p><u>For each of the meter reconfiguration scenarios above, a description of how the network operator will determine an estimated meter reading interval meters, daily metered or network receipt points prior to the 30 September gas day, for the 30 September 2019 gas day and the 1 October 2019 and subsequent gas days</u></p>
<p><u>Hourly metering data</u></p>	<p><u>For each of the meter reconfiguration scenarios where hourly data is obtained under clause 3.1.6 (b), a description of how the network operator will ensure that metering data is provided for the last hourly interval for gas day 30 September 2019 will only include data for the period from 5:30am to 6:00am AEST.</u></p>



Reporting

A description of the regular reporting that will be published by the *network operator* and provided to AEMO by the *network operator* of the scheduling, progress and completion of *interval meter* reconfigurations which must include:

- the dates or periods during which *meters* are scheduled to be reconfigured to measure and record for a *standard gas day* and the date or period when reconfiguration was completed
- reporting of scheduling and completion of *meter* reconfiguration should identify the *meters* by *MIRN* only
- the method of completion of *meter* reconfiguration (e.g. service orders to be sent, impacts on *meter* data files)
- Details of contingency plans to substitute metering data being measured prior to the reconfiguration of the *meter* with estimates after the *meter* has been reconfigured.

[Note: Reporting information that is to be provided to AEMO is to be sent to the following e-mail address – gdh@aemo.com.au. Reporting information that AEMO receives will be published on AEMO's Gas Day Harmonisation website page.]



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.
- Section 2 seeks feedback on the individual changes within each of the procedures.

Anyone wishing to make a submission for this first stage consultation are to use this response template. Submissions close 29 March 2019 and should be emailed to gdh@aemo.com.au.