

# PROPOSED PROCEDURE CHANGE (PPC)

## Summary Section

<b>Issue Number</b>	IN009-19		
<b>Impacted Jurisdiction(s)</b>	New South Wales / Australia Capital Territory (NSW/ACT)		
<b>Proponent</b>	Danny McGowan and Roger Shaw	<b>Company</b>	AEMO
<b>Proponent e-mail</b>	<a href="mailto:gdh@aemo.com.au">gdh@aemo.com.au</a>	<b>Proponent phone #</b>	
<b>Affected Gas Market(s)</b>	• Retail	<b>Date proposal sent to AEMO</b>	Wednesday, 1 May 2019
<b>Short Issue Title</b>	Residual Retail Market Procedures (RMP) changes 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	12/07/2019



## 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 reviewed the impact of harmonising the start time of the gas day initiative. This 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](#).

A recent review of the NSW/ACT Retail Market Procedure (RMP) identified that AEMO overlooked one of the timing provisions in the original consultation. This timing provision pertains to the delivery of data to AEMO from the Network Operator. The time described in the RMP is currently 9:30am AEST however when the new standard gas day takes effective, the delivery time needs to be 9:00am AEST. AEMO has flagged this change with the Network Operator (and industry in general) through Gas Day Harmonisation monthly updates, and published a document including these changes on the Gas Day Harmonisation web page (click [here](#) for further details).

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 B. Submissions close 19 July 2019 and should be emailed to [gdh@aemo.com.au](mailto:gdh@aemo.com.au).

### 2. REFERENCE DOCUMENTATION

The following documents are referenced in this PPC:

- Retail Market Procedures (NSW and ACT) (ver 20).

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

The following provides an overview of the Retail Market changes:

- Retail Market Procedures (NSW and ACT):
  - Amend clause 8.11.1 so that the data delivered to AEMO from the Network Operator is received by 9:00am AEST.

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



#### **4. CONSEQUENCES OF THE CHANGES**

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. ORDER OF MAGNITUDE OF THE CHANGES**

As described in the original consultation pertaining to standardised gas day start time (IN002/16), 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 boarder 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**

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 NSW/ACT RMP is aligned with the new legislative framework.

#### **7. IMPLEMENTATION IMPACTS**

The original consultation noted that 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 NSW/ACT 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.

#### **8. TESTING REQUIREMENTS**

The original consultation described the testing requirements for the standardised gas day program of work. There is no additional testing requirement for the changes described in this PPC.



## **9. PROPOSED EFFECTIVE DATE FOR THE PROPOSED CHANGED PROCEDURES TO TAKE EFFECT**

Subject to all necessary approvals, AEMO is targeting to implement this initiative on Tuesday 1 October 2019. In order to achieve this timeline, AEMO proposes the following key milestones:

- Issue PPC on 12 July 2019.
- Submission on PPC closes 19 July 2019.
- Issue IIR on 31 July 2019.
- Submissions on IIR close 21 August 2019.
- AEMO decision on 9 September 2019.
- Effective date Tuesday 1 October 2019.



## ATTACHMENT A – DOCUMENTATION CHANGES (SEE SECTION 3)

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

- Retail Market Procedures (NSW/ACT)

### 8.11 Estimation and Reconciliation (STTM Network Sections)

#### 8.11.1 Network Operator to Provide Data to AEMO

- (a) The *Network Operator* must use reasonable endeavours to provide the following data for each *network section* for a *gas day* to AEMO by ~~9:30~~ 9:00am on *gas day* + 1:
- (i) the total quantity of *gas* injected (in *MJ*) at all *network receipt points* within the *network section* (TDQ);
  - (ii) each *User's* *SUAG*;
  - (iii) each *User's* share of change in linepack (in *MJ*) for the *network section* for the *gas day* (CLP), based on the relevant *applicable access arrangement* provision; and
  - (iv) each matched allocation quantity, together with:
    - (A) the *Network section* ID of the *network section* for which the matched allocation quantity applies; and
    - (B) the *Participant* IDs of any *Participants* who are parties to the *registered matched allocation agreement* in accordance with which the matched allocation quantity is allocated.
- (b) ....



## **ATTACHMENT B – PPC RESPONSE TEMPLATE**

The PPC 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.

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