

GAS LIFE SUPPORT PPC SUPPLEMENTARY QUESTIONNAIRE - INFORMATION PAPER

1. OVERVIEW OF CONSULTATION

In late 2019, AEMO began pre-consultation work to ascertain Gas Retail Consultative Forum (GRCF) interest in adopting the existing LifeSupportNotification (LSN) and LifeSupportRequest (LSR) transactions in the r38 aseXML schema into gas retail market systems. AEMO began this work in response to GRCF requests to adopt the LSN and LSR transactions as the gas retail market agreed solution to transfer life support information between participants. As part of that pre-consultation, the GRCF expressed a nearly unanimous¹ view that the adoption of the LSN and LSR transactions represented a potential net benefit to industry².

In line with this advice, on 17 January 2020 AEMO published a Proposed Procedure Change (PPC) for the adoption of the LSN and LSR transactions. Eleven submissions were received on this PPC³, seven of which were from retailers and four of which were from distributors. Of these, all respondents except for Origin Energy expressed that the proposed change would constitute a net benefit for their organisation. The full set of submissions to the PPC (section 1 to 3 only) can be found in Attachment B.

Origin Energy has identified that the magnitude of costs would be high for their organisation, with low-to-no corresponding benefits when compared to the .csv file information sharing industry processes as described in the Gas Life Support Industry Guide⁴. Additionally, Origin Energy flagged their belief that the process described in this guide is fit for purpose. See Ref #7 and #17 in Attachment B for full details on Origin Energy's feedback.

As such, AEMO cannot be confident that the proposal meets the National Gas Objective⁵ on the basis of feedback currently provided. AEMO therefore issued a Notice of Time Limit Extension under National Gas Rules (NGR) Rule 135EG on 5 March 2020 to enable industry to provide additional feedback before AEMO issues its Impact and Implementation Report (IIR).

On this basis, AEMO has issued a supplementary questionnaire designed to solicit additional information regarding the proposal (see Attachment A). AEMO will use this information to determine whether to recommend the proposal when it issues the IIR.

2. OVERALL COST AND BENEFITS

The estimated cost for AEMO to implement this change is \$250,000. This estimate includes the cost of implementing IT system changes and the cost of drafting and consulting on Technical Protocol (TP) documentation changes. There is no direct benefit for AEMO.

¹ The one participant who opposed the adoption of LSN and LSR was Powershop. They since rescinded that position in their PPC feedback, where they supported the initiative.

² https://aemo.com.au/-/media/files/stakeholder_consultation/working_groups/retail_meetings/grcf/2019/grcf-meeting-131---17-september-2019---meeting-minutes.pdf

³ These being from: AGL, Australian Gas Networks, AusNet Services, GloBird Energy, Jemena Gas Networks, Momentum Energy, Multinet Gas, Origin Energy, Powershop, Red and Lumo Energy, and Simply Energy.

⁴ Please see here: https://aemo.com.au/-/media/files/gas/retail_markets_and_metering/market-procedures/vic/gas-life-support-industry-guide.pdf?la=en&hash=060D14D593211A2F1AD8362C9C30A2AA

⁵ The National Gas Objective as stated in the National Gas Law (NGL) is: "to promote efficient investment in, and efficient operation and use of, natural gas services for the long term interests of consumers of natural gas with respect to price, quality, safety, reliability and security of supply of natural gas."



The estimate cost for Retailers and Distributors to implement this change will vary for each organisation and depend on several factors, including but not limited to the complexity of IT system changes for that organisation.

Respondents to the PPC noted a number of benefits from the change, including:

- Certainty in life support information that is sent to and received from a distributor.
- Inherent traceability in each LSN provided to a distributor.
- Speed of transaction process as compared with manual processes (especially in light of the one-business-day information provision requirement in Victoria).
- Ensuring that retailers and distributors are better able to meet their regulatory obligations.
- Limit on risk of wrongful disconnection of gas life support customers.
- Avoidance of the errors involved in manual data entry of gas life support information.
- Privacy issues from using email processes as opposed to aseXML.
- Capacity to handle larger transaction volumes, given the increasing numbers in SA, QLD, and VIC.
- Efficiency gains in terms of fully automated process vs. processes that require some manual intervention.
- Harmonisation between gas and electricity life support processes.

A full description of the benefits identified by respondents in their PPC responses can be found in Section 2 of Attachment B.

All respondents, except for Origin Energy, noted that the change would result in a net benefit for their organisation.

3. TIMELINES

AEMO has issued the Notice of Time Limit Extension granting AEMO until 30 September 2020 to issue the IIR. This is to ensure that the GRCF can consider the item for the 2021 GRCF program of work at the corresponding prioritisation session in Q3 2020 if responses to this questionnaire do not indicate an unambiguous net benefit to industry from implementing the LSN and LSR transactions in the Q4 2021 window. Further, given Origin Energy's feedback that the information sharing industry processes as described in the Gas Life Support Industry Guide are sufficient to fulfil regulatory processes, AEMO wishes to allow industry sufficient time to discuss industry-agreed processes with Origin Energy before AEMO issues a final recommendation on the introduction of the LSN and LSR transactions.

However, if feedback to the supplementary questionnaire in Attachment A indicates an unambiguous net benefit to industry from adopting the LSN and LSR transactions in the Q4 2021 window, then AEMO will publish the IIR in late April with a recommendation to proceed with the change.

As such, AEMO is seeking feedback on this supplementary questionnaire by COB (AEDT) Tuesday 31 March 2020. AEMO will provide advice by mid-April regarding whether it is publishing the IIR in April (i.e. will recommend the change in the IIR) or whether it is publishing the IIR in September (i.e. will defer any recommendation until after the 2021 GRCF prioritisation session).



ATTACHMENT A – SUPPLEMENTARY QUESTIONNAIRE

A questionnaire has been provided along with this paper. Please complete it and submit it to grcf@aemo.com.au by COB Tuesday 31 March 2020.

ATTACHMENT B – FEEDBACK GIVEN TO PPC

Consolidated feedback to the PPC (section 1 to 3 only) is provided for participants' reference in Attachment B. Where a participant has provided subsequent feedback or the GRCF has entertained discussion on a specific point, AEMO has noted this in the "AEMO Notes" column. AEMO has not provided in-depth responses to PPC feedback; these will be provided as part of the IIR when it is issued.

Section 1 - Comments on the technical requirements and implementation date

Topic	Ref #	Company	Participant Response to PPC	AEMO Notes
Provide details on whether your organisation agrees with the technical requirements and implementation date options that AEMO has put forward in section 3 of this PPC. If your organisation does not believe that the PPC adequately captures the technical requirements or does not support the proposed implementation date	1	AGL	<p>A detailed technical assessment has not been conducted for this proposed change, but AGL is supportive of this change and associated changes being brought together into a coordinated release.</p> <p>The proposed timing of late 2021 is the most appropriate timing, given the other industry changes currently underway.</p>	

Topic	Ref #	Company	Participant Response to PPC	AEMO Notes
options, please provide details on which requirements specifically your organisation opposes and why.	2	Australian Gas Networks	<p>AGN agrees with the technical requirements, notwithstanding some comments and questions in the specific feedback below.</p> <p>AGN supports a Q4 2021 implementation date. We must stress however that <u>all</u> jurisdictions must be switched to R38 simultaneously on a common date. Our national systems cannot manage a staged switch over as it can only operate on a single schema.</p> <p>With regard to the SA/NSW transformation engine as noted by AEMO in PBP6, our planned scope of work <u>only</u> includes the generic Schema Version related transactions. Any transactions requiring Transaction Specific Transforms (not schema version related) are <u>not</u> in our planned scope of work, and the AEMO transformation process will need to continue to cater for these.</p> <p>APA only agreed to participate in the NARGP process on the basis that it could use existing SA transactions for the Wagga and Tamworth networks.</p>	

Topic	Ref #	Company	Participant Response to PPC	AEMO Notes
	3	AusNet Services	<p>AusNet Services supports a Q4 2021 implementation date for LSN and LSR transactions, and associated schema updates. The implementation would be considerably complex and require significant industry resources to progress. With the recently published gas life support obligations in Victoria coming into effect we would ideally require these changes by July, however the resources required to make system implementation would not be available until much later. Therefore, we support the Q4 2021 implementation date.</p>	
	4	Jemena Gas Networks	<p>Jemena Gas Network (JGN) supports the proposed changes as outlined in this PPC.</p> <p>There are currently over 4000 registered gas life support customers in NSW and the ACT. JGN is supportive of aligning gas and electricity life support processes. From our experiencing in operating under both frameworks, we believe the automated LSN/LSR process for electricity is more efficient than the existing bilateral process for gas which relies on email, is manually intensive and adds risk for both retailers and distributors.</p>	
	5	Momentum Energy	<p>Momentum Energy supports the implementation date and technical requirements that AEMO has put forward for this PPC.</p>	



Topic	Ref #	Company	Participant Response to PPC	AEMO Notes
	6	Multinet Gas Networks	Multinet Gas Networks Agrees with the technical requirements and proposed implementation date	
	7	Origin Energy	<p>Origin appreciates the approach undertaken by AEMO to develop a suite of initiative changes that may be bundled into a single aseXML uplift. This makes the Q4 2021 implementation date the preferred option as opposed to Q4 2020.</p> <p>Given the complexity and cost associated with such a change, it is an imperative part of the consultation process that the net benefits outweigh the costs in order to proceed with industry change.</p> <p>With the evolving development of the Life Support user guide and adoption of this process matures between participants, Origin believes the current process is fit for purpose.</p>	
	8	Powershop Australia	<p>Powershop agrees with the high-level technical requirements detailed in section 3.</p> <p>Powershop agrees with a Q4 2021 implementation date, but suggests that a Q2 2022 implementation might be more beneficial to allow for the five minute settlement change to be settled in the market.</p>	



Topic	Ref #	Company	Participant Response to PPC	AEMO Notes
	9	Red and Lumo Energy	Red Energy and Lumo Energy agree with the technical requirements, and support an implementation date of Q4 2021 - as well as the associated aseXML schema uplift to version r38.	



	10	Simply Energy	<p>Simply Energy broadly agrees with the proposal for the following two items:</p> <ul style="list-style-type: none">- Implementation in Q4 2021, after 5ms go-live.- Supportive of LSN transaction to be added to the Gas markets (VIC, SA, NSW, QLD).- LSN should be allowed to be sent by incoming retailer prior to FRO completion (unlike CDN which can only be triggered on or after FRO completion).- Simply Energy believes that the transaction does not necessarily need to be mirrored with electricity transaction and can be simplified for gas, as per the requirements of the Rules. However, Simply Energy is comfortable with the suggested LSN transaction structure (additional comments are provided in relevant sections below). <p>On the contrary, Simply Energy is <u>not supportive</u> of request transaction:</p> <ul style="list-style-type: none">- To simplify and reduce the overall cost of implementation across the industry, Simply Energy believes there is no benefit to pursue the changes suggested in the PPC for LSR (LifeSupportRequest)- There is no Rules requirement for LSR (as the registered participant owner is supposed to provide life support data to the other party, be it network or retailer)- LSN is the only transaction required in order to comply with the Rules (which is why LSN is bi-directional, i.e. any party can send it to the other party, unlike CDN)	
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Topic	Ref #	Company	Participant Response to PPC	AEMO Notes
			<p>which is uni-directional, only retailer initiated and hence it requires a request mechanism, CDR).</p> <ul style="list-style-type: none">- Current process of sending csv reports from retailers to networks is almost similar to LSN, and there is no 'request' from any network till date, to provide life support notification. As such, LSR is not warranted and it was only introduced in electricity to replace a pre-existing process of '<i>CDR-ConfirmLifeSupport</i>', which never existed in Gas and neither should be.- Cost of implementing new processes and exceptional handling for LSR transaction, does not outweigh the benefits as networks use LSR for various use-cases which makes it quite a vague transaction and this is highly debated in the electricity forums.	



Section 2 – Comments on the whether a net benefit will be realised should this initiative be implemented.

Topic	Ref #	Company	Participant Response to PPC	AEMO Notes
Provide feedback on whether you expect that the benefits described in section 4 will outweigh the costs described in section 6 for your organisation. Feedback should include details of the benefits, and if your organisation believes that the cost will outweigh the benefits, your feedback should provide an order of materiality for the costs.	11	AGL	<p>AGL supports the proposal and sees benefit in standardising the industry processes and mechanisms used between retailers and distributors for the provision of Life Support information.</p> <p>Note: Specific costing has yet to be done as this would change with other changes implemented – eg CDN/CDR.</p> <p>Overall benefits:</p> <ul style="list-style-type: none">• Certainty in LS information being sent to and received by a DB;• Inherent traceability in each LSN provided to a gas DB;• Speed of transaction process (noting the Victorian 1 b/day timeframe to provide that information);• Ensures retailers and distributors meet their regulatory obligations.	

	12	Australian Gas Networks	<p><u>Costs:</u></p> <p>A high level estimate of LSN and LSR implementation costs is [REDACTED]. Multiple systems will be impacted.</p> <p><u>Benefits:</u></p> <p><u>Risk Avoidance / Compliance Issues</u></p> <ul style="list-style-type: none"> • A B2B solution for life support will limit the risk of process errors that could result in the disconnection of gas supply for a life support customer. The risk to reputation and of potential fines for regulatory breaches will be minimised. • The current email based manual life support process is prone to errors due to inconsistent CSV file formats requiring manual system upload. • There are potential privacy issues when dealing via email with the current process. Both Retailer and DB must ensure all communication is password protected. • Volumes are increasing – experience in SA/Qld markets in the first year and Victoria commencing. With increase in volume, risk increases. <p><u>Cost Avoidance – FTEs</u></p> <ul style="list-style-type: none"> • With the increase of LS registration in 2019 for SA/QLD and introduction of Victoria recently, management of the manual life support process now requires [REDACTED]. We anticipate that if the volume of registration 	
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Topic	Ref #	Company	Participant Response to PPC	AEMO Notes
			<p>continue to increases (particularly with Vic implementation recently) we may require [REDACTED] to manage the process. This will equate to approx. [REDACTED] per annum, that will be saved with the B2B solution.</p> <p><u>Net Position:</u></p> <p>Ultimately the implementation costs will be outweighed by the cost savings over time.</p>	



Topic	Ref #	Company	Participant Response to PPC	AEMO Notes
	13	AusNet Services	<p>With the introduction of life support obligations for gas customers in Victoria gas network businesses need better and more contact details to provide our gas life support customers with the better protections and notifications for supply interruptions.</p> <p>Despite what AEMO incorrectly submitted to the ESC Victoria that all businesses have work-around arrangements for life support, without this information gas network businesses will struggle to meet our new regulatory obligations without the LSN and LSR transaction. Emailing of customers sensitive life support details will not ultimately comply our IT security requirements and is not auditable enough without very significant IT and process changes.</p> <p>In electricity the introduction of LSN and LSR transactions have been essential in dealing with the higher volumes of life support transactions received since the NERR changes were implemented. We expect high transaction volumes as national retailers are likely to disregard their obligations in Victoria to ask customers the nature of their life support equipment needs in the first instance to determine if the customer needs registration for electricity, gas or dual fuel.</p>	



Topic	Ref #	Company	Participant Response to PPC	AEMO Notes
	14	Jemena Gas Networks	<p>JGN believes the proposed changes will result in net long-term benefits for retailers and distributors. These benefits include:</p> <ul style="list-style-type: none"> • harmonisation between gas and electricity life support processes • efficiency gains using automated B2B communications between retailers and DNSPs • reduced risk and reliance on email and manually-intensive processes 	
	15	Momentum Energy	<p>Momentum Energy believes that the risk of error will be reduced significantly and appropriately with this solution, meaning vulnerable Australians will be safer. We agree that the benefits outweigh the cost.</p>	
	16	Multinet Gas Networks	<p>MGN believes that the benefits will out way the costs as this change will move our existing business processes from manual processing to an automated solution.</p> <p>Whilst costs from the outset will not immediately display benefits, these costs will be absorbed by MGN and a financial benefit seen over time following the implementation of the automation.</p> <p>With emphasis from the Australian regulators to ensure compliance to this process we believe that automation is pivotal in maintaining our data records accurately and in a timely manner.</p>	



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	17	Origin Energy	<p>This change has been rated as complex.</p> <p>Origin acknowledges the benefits of B2B transactions improves auditability and some efficiencies gained from the manual handling of CSV files and associated reconciliation activities. Taking into consideration current and expected volumes of gas life support transactions, costs to implement the proposed changes will exceed the benefits.</p>	<p>Origin Energy submitted subsequent feedback identifying that the magnitude of costs would be high for their organisation, with low-to-no corresponding benefits when compared to the status quo .csv information sharing industry processes.</p>
	18	Powershop Australia	<p>Powershop do see benefits from a technical perspective in securely and consistently managing life support transactions for both electricity and gas.</p>	
	19	Red and Lumo Energy	<p>Yes, we consider that the benefits of this change will outweigh the costs of implementing, when the risks of life support non-compliance are taken into account.</p>	

Topic	Ref #	Company	Participant Response to PPC	AEMO Notes
	20	Simply Energy	<p>Simply Energy believes that there are tangible (process improvement/efficiency based) and intangible (risk based) benefits of introducing LSN transaction because:</p> <ul style="list-style-type: none"> - the current process of sending csv extract is manual and labour intensive - the current process is not real-time and poses a risk on compliance (potential breach situations) - cost of implementing LSN does not materially impact the operational processes because of its alignment with electricity and its ability to be integrated in automated workflows with little manual intervention, only when an exception arises. <p>However, Simply Energy considers LSR to be a 'cost-only' transaction with no material benefit to the industry participants. LSR implementation includes exception management and because each LSR creates a manual work at the recipient's end, it decreases process efficiency and does not align with the intent of the Rule, i.e. if any party has knowledge of Life Support, it should notify the other party by using an LSN, regardless of whether that party is a registered participant owner.</p>	<p>Simply Energy provided subsequent feedback at the 18 February 2020 GRCF meeting that the implementation of the LSR did not itself pose issues so much as its use cases, which could be determined separately to consultation IN003/20⁶.</p>

⁶ Please see GRCF minutes for this meeting distributed on 24 February 2020.

Section 3 – Feedback on any other matters described in the PPC

Topic	Ref #	Company	Participant Response to PPC	AEMO Notes
<p>Sections 1 to 9 of the PPC sets out details of the proposal.</p> <p>Does your organisation support AEMO’s assessment of the proposal?</p> <p>If no, please specify areas in which your organisation disputes AEMO’s assessment (include PPC section reference number) of the proposal and include information supporting your organisation’s rationale as to why you do not support AEMO’s assessment.</p>	21	AGL	<p>Note that AGL believes that this change is also applicable to Victoria, and notes that the documentation should refer to NECF and VESC jurisdictions (section 3).</p> <p>AGL notes that the Life Support transactions only cover the specific Life Support information and that other information associated with the Customer Account holder are detailed within the Customer Details Notification, which is not covered in this GMI.</p> <p>The specific schema which the gas industry moves to may be higher than r38. AGL would suggest that as all parties are implementing a higher schema, that the latest available be implemented in this process (section 4.2.1).</p> <p>This change also supports the revised obligations in Victoria, which are covered by the Victorian Gas Distribution Code and Victorian Energy retail Code (Section 7).</p>	AGL and the GRCF agreed that AEMO would be able to separately cost a move to r39 once the IN003/20 consultation was completed ⁷ .
	22	Australian Gas Networks	AGN generally supports AEMO’s assessment.	
	23	AusNet Services	AusNet Services supports the proposal in all areas.	

⁷ Please see GRCF minutes for this meeting distributed on 24 February 2020.



Topic	Ref #	Company	Participant Response to PPC	AEMO Notes
	24	GloBird Energy	Globird is generally supportive of having all states on the same XML version, but given this does involve systems upgrade, the further away this can be from the 5 min settlement due date the better.	
	25	Jemena Gas Networks	JGN notes that at the January 2020 GRCF meeting, market participants expressed a preference for implementing the proposed changes in Q4 2021. JGN wishes to advise we are able to accommodate a Q4 2021 effective date, however we recommend the proposed CDN/CDR changes are implemented at the same time.	
	26	Momentum Energy	Momentum Energy supports AEMO's assessment of the proposal.	
	27	Multinet Gas Networks	Multinet Gas Networks supports the fundamental changes however there are some clarifications and additions required for the Participant Build Packs as mentioned below.	
	28	Origin Energy	AEMO's assessment of sections 1 to 9 is accurate.	
	29	Powershop Australia	Yes.	



Topic	Ref #	Company	Participant Response to PPC	AEMO Notes
	30	Red and Lumo Energy	<p>Red Energy and Lumo Energy support this PPC (IN003/20) as it stands, with an implementation date of Q4 2021, as well as the associated aseXML schema uplift to version r38.</p> <p>Please correct the following in the PPC, Section 1.1: LifeSupportNotification (LSN) and LifeSupportRequest (LSNR).</p>	
	31	Simply Energy	<p>While Simply Energy is supportive of Q4 2021 implementation, we are equally supportive of an earlier implementation considering we do not adopt LSR as mentioned in the above two sections.</p>	