

PROPOSED PROCEDURE CHANGE (PPC)

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Affected Gas Market(s)	<ul style="list-style-type: none">• STTM	Date proposal sent to AEMO	Friday, 25 September 2020
Short Issue Title	STTM Reports Consultation		
Other key contact information	gwcf_correspondence@aemo.com.au		

VERSION #	PRESENTED TO	DATE
1.0	GWCF	12 October 2020



1. DESCRIPTION OF ISSUE

The procedures governing the Short-Term Trading Market (STTM)—in particular, the STTM Procedures and the STTM Interface Protocol—stipulate the publication and manner of publication for a large number of reports about the STTM. For some of these reports, AEMO has identified:

- That there is not a clear use for the report;
- That the report is required to contain information that is not of use to the market; or
- That the timing requirements are not well harmonised with market operations.

This consultation therefore intends to consult on a number of minor changes to STTM reports in the interests of operational efficiency.

AEMO presented these changes to the Gas Wholesale Consultative Forum (GWCF) at the 18 June 2020 meeting¹ and requested feedback from participants. Of the two responses received, one participant supported all the changes and one participant opposed the changes described in sections 3.1 and 3.3 of this PPC. As such, AEMO is seeking to canvas STTM participants more broadly to determine support for the proposals.

2. REFERENCE DOCUMENTATION

- STTM Procedures
- STTM Interface Protocol

3. OVERVIEW OF CHANGES

3.1. STTM Procedures Section 7.6 – STTM Event Reports

Section 7.6 of the STTM Procedures requires AEMO to prepare a report when data is not provided in accordance with rules 414 or 419² of the National Gas Rules (NGR). This requirement to prepare a report appears to be unnecessary, as AEMO is entitled under the NGR to use substitute information if the data is not provided, including the ability for the submission window to be extended to accept substitute information.

Approximately 10 reports have been prepared since 2014. Resultantly, AEMO does not believe there is value in mandating the requirement to publish these reports. AEMO does not intend to remove the report, but rather to make its publication optional, as there is often no operational / business need for the report.

Only one GWCF participant disputed AEMO's analysis in their feedback following the June 2020 meeting—however, this respondent also noted that NGR rule 497 sufficiently established the reviewable events on which AEMO should report, which is in conflict with their support for mandating report publication under Section 7.6. As such, AEMO is seeking broader feedback from the GWCF to determine whether Trading Participants are comfortable with the proposal.

3.2. STTM Procedures Section 3.4 – Ex Ante Pipeline Data

Section 3.4 of the STTM Procedures specifies the time by which AEMO must publish the following:

- The default gas day capacity.

¹ See minutes here: https://aemo.com.au/-/media/files/stakeholder_consultation/working_groups/wholesale/gwcf/2020/gwcf-meeting-27-meeting-minutes-18062020.pdf?la=en

² NGR 414 specifies that if the capacity information is not provided or fails validation, AEMO must use substitute information. NGR 419 specifies the process for receiving facility allocation information.



- The maximum gas day capacity.
- The validation thresholds to be applied under clause 7.1.3A.

The timing and detail requirements of this report (INT653) are, however, also published in section 5.4.3 (INT063 - Ex Ante Pipeline Data) of the STTM Reports Specification. AEMO's position is that it is unnecessary to duplicate this information in the STTM Procedures, and consequently AEMO is proposing to remove it. AEMO also proposes to amend the time trigger for the INT653 report to 9am and 10.30am (consistent with what was in place prior to Gas Day Harmonisation) in the interests of compliance.

No GWCF participant disputed AEMO's analysis in their feedback following the June 2020 meeting.

3.3. STTM Procedures Section 5.2(h) – MOS Estimates

Section 5.2(h) of the STTM Procedures requires that AEMO must consult on changes to the Methodology for Determining MOS Estimates³. This methodology is periodically reviewed to ensure that it meets the rule and procedure requirements, at which point AEMO is obligated to consult on any amendments it wishes to make to the methodology, even if these changes do not materially impact participants (for instance, if AEMO were to update the tables in section 6 with more contemporary data). Given this requirement, AEMO believes that the obligation to consult on changes imposes an unnecessary overhead and proposes that "[AEMO] must, before making changes to that methodology, consult..." should be amended to read "[AEMO] ~~must~~may, before making changes to that methodology, consult...".

This change would enable AEMO to make non-material changes without undergoing a full consultation. AEMO would still consult with participants if changes to the methodology materially impacted Trading Participants.

Only one GWCF participant disputed AEMO's analysis in their feedback following the June 2020 meeting; as such, AEMO is seeking broader feedback from the GWCF to determine whether Trading Participants are supportive of its proposed change.

3.4. STTM Procedures Sections 5.2 and 5.3 – MOS Estimates Timing

Sections 5.2(aa), (ab), (d), and (f) as well as section 5.3(a) of the STTM Procedures dictate the timings on which MOS estimates are to be published and updated. These timings were determined when the MOS stack was generated quarterly and no longer align with the monthly MOS stack generation period.

AEMO proposes to amend each clause to use 'gas days' in place of 'business days', including the following changes:

- Section 5.2(aa) - MOS estimates to be published no later than 40 gas days before the start of the MOS period (currently 40 business days).
- Section 5.2(ab) - MOS estimates may be updated until 20 gas days before start of MOS period (currently 20 business days). AEMO has not updated MOS estimates since market start.
- Section 5.2(d)/(f) - Pipeline Operators can submit data for MOS estimates up to 50 gas days before start of MOS period (currently 50 business days). This process has not been used since MOS allocation data has become available.
- Section 5.3(a) - MOS offer request to be sent by 20 gas day before MOS period (currently 20 business days).

This is a relatively minor change that was introduced subsequent to the initial discussion at the June 2020 GWCF meeting. This means that no GWCF participant has as yet had the opportunity to provide feedback.

³ This document can be found here: https://aemo.com.au/-/media/files/pdf/methodology_for_determining_mos_estimates_version_3_0.pdf



3.5. STTM Report Specification Section 5.1.10 – INT651 Ex Ante Market Price

Section 5.1.10 of the STTM Report Specification notes that the schedule_identifier column for the INT651 report (Ex Ante Market Price) must not be null. If, however, AEMO is not able to create a schedule (as was the case on 31 December 2018), then the schedule_identifier should be null.

As such, AEMO proposes to update the specification to note that the schedule_identifier column may be null and to update the associated comment field to state that schedule_identifier will be null when administered_price_period is null.

No GWCF participant opposed this change in their feedback following the June 2020 meeting.

3.6. STTM Report Specification Section 5.1.69 – INT724 Ranked Deviation Quantities Report

Section 5.1.69 currently requires participants to opt-in to receive this report; currently all Trading Participants have opted in to receive the report when specifically asked if they want it.

As such, AEMO proposes to amend the STTM Report Specification such that participants must opt-out of receiving the report (rather than opting into it) in the interests of simplifying market registration for new Trading Participants.

No GWCF participant opposed this change in their feedback following the June 2020 meeting.

4. LIKELY IMPLEMENTATION REQUIREMENTS AND EFFECTS

AEMO will need to make some minor changes to reporting to implement these changes. AEMO does not believe there are any system or testing impacts for participants.

5. IMPACT OF ISSUE NOT PROCEEDING

Should the above initiatives not proceed, AEMO's reporting will continue to be more inefficient than it could otherwise be and (with respect to the changes identified in Section 3.2 and 3.5 of this PPC), will prevent AEMO's compliance with the procedures.

6. OVERALL COST, BENEFITS AND MAGNITUDE OF THE CHANGES

The proposed changes will lead to enhanced efficiency for both AEMO or participants by ensuring that:

- Reports are published at a time that harmonises with other reports.
- Reports which provide no value to the market are not produced.
- Different procedures do not duplicate information.
- Changes can be made to the MOS Estimates Methodology in a streamlined manner.

AEMO does not believe there will be any costs as a result of this proposal.

As such, AEMO believes that magnitude of the changes is non-material.

7. CONSISTENCY WITH NATIONAL GAS RULES (NGR) AND NATIONAL GAS OBJECTIVE (NGO)

AEMO's preliminary assessment of the proposal's consistency with the NGR and NGO is:



Consistency with National Gas Law (NGL) and NGR	<p>AEMO's view is that the proposed change is consistent with the NGL and NGR. No participant raised any objections to the proposal's consistency with any of these documents in feedback to the June 2020 consultation round.</p> <p>Participants will be given an additional opportunity to inform AEMO if they believe there is any such inconsistency as part of this PPC consultation.</p>
National Gas Objective	<p>As outlined in Section 6, it is AEMO's view that this change would improve efficiency in reporting and therefore facilitate efficient operation of the STTM.</p>
Any applicable access arrangements	<p>AEMO's view is that the proposed change is not in conflict with existing Access Arrangements.</p> <p>No participant raised any objections regarding the proposal's consistency with any existing Access Arrangements in feedback to the June 2020 GWCF, and participants will be provided an opportunity to inform AEMO if they believe the proposed change is in conflict with existing Access Arrangements during this PPC consultation.</p>

8. SUPPORTING DOCUMENTATION

Please see Attachment B for the change-marked Technical Protocols.

9. PROPOSED TIMELINES

Subject to all necessary approvals, AEMO proposes the following timeframe:

- PPC issued 12 October 2020
- Responses to PPC due 9 November 2020
- IIR issued 30 November 2020
- Responses to IIR due 4 January 2021
- AEMO Decision on changes in January 2021
- If changes approved, effective date of 1 March 2021



ATTACHMENT A – PPC RESPONSE TEMPLATE

Attachment A provides a response template for this PPC. Participants are to use this template when providing feedback to this PPC.



ATTACHMENT B – DOCUMENTATION CHANGES (SEE SECTION 3)

Draft versions of the TPs are attached separately to this document.