

IMPACT & IMPLEMENTATION REPORT (WA) – SUMMARY SECTION

(For AEMO to complete and administer)

Procedure Change Number	IN002/16W		
Impacted jurisdiction(s)	Western Australia		
Proponent	Danny McGowan	Company	AEMO
Industry consultative forum(s) used	Procedure Change Committee (“PCC”)	Date concluded by Procedure Change Committee (“PCC”)	7/12/16
Procedure change ranking (as per Chapter 9): <ul style="list-style-type: none"> ▪ Non-substantial ▪ Low impact ▪ High impact 	Low Impact		
Short description of change(s)	Add further clarity to the Retail Market Procedures (WA) regarding the process of sending Special Circumstances notices described in clause 255.		
Procedure(s) or documentation impacted	Retail Market Procedures (RMP) (WA) Information Pack artefact Non-IT RMP Communications.		
Summary of the change(s)	<p>The change proposed in this Impact and Implementation Report (IIR) involves adding a note to clause 255(1) of the RMP as a guide to when a Special Circumstances notice should be sent and amending clause 255(2) to clarify when and to whom AEMO should send information. In addition the change requires the Pipeline Operator to send Special Circumstances notices to a new AEMO e-mail address. AEMO will disseminate the Special Circumstance notice to a different e-mail recipient group. See section 1 of this IIR for a more detailed explanation of the changes.</p> <p>This IIR has been prepared in accordance with clause 397 of the Retail Market Procedure (RMP) and is raised for consideration by gas retail market participants as a low impact procedure change. As per clause 399A (1) (a) (ii) AEMO now seeks submissions on the proposed changes which can be e-mail to pccwa@aemo.com.au.</p>		
I&IR prepared by	Danny McGowan	Approved by	Violette Mouchaileh
Date IIR published	1/02/17	Date consultation concludes	14/02/17
Contact address for written responses	GPO Box 2008, Melbourne VIC 3001		
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Other key contact information			

IMPACT & IMPLEMENTATION REPORT (WA) – DETAILED REPORT SECTION

CRITICAL EXAMINATION OF PROPOSAL

<p>1. Description of change(s) and reasons for change(s)</p>	<p>The proposed changes contained in this IIR were developed by AEMO and raised for discussion as a Gas Market Issue (“GMI”) at the Procedure Change Committee (PCC) meeting on 07/12/16. At that meeting, the PCC endorsed the proposed amendments as described in attachment A as a low impact procedure change and in accordance with clause 394(4) of the RMP (WA) recommends that AEMO accept the proposed changes.</p> <p>Reasons why the proposed changes are needed:</p> <p>The proposed changes have been designed to resolve the lack of clarity in the provisions pertaining to the Special Circumstances notices described in clause 255. Specifically the changes are to clarify:</p> <ul style="list-style-type: none">(i) Clause 255(1), which is currently silent on the criteria for what is a “special circumstance”, and leaves it to the Pipeline Operator to determine when to submit a notice;(ii) Clause 255(1) which currently does not specify the AEMO contact information where the Pipeline Operator is to send the notice; and(iii) Clause 255(2) which lacks certainty regarding the timeframes by which AEMO is to notify market participants after it receives a notice from Pipeline Operators under clause 255(1). This clause could be interpreted in two ways - within 1 hour or “promptly”, the latter of which is defined under Clause 11(2)(b) as next business day. <p>Description of the proposed changes:</p> <p>The changes proposed to provide clarity are:</p> <ul style="list-style-type: none">(i) Add a note to clause 255(1) (see Attachment A) as a guide for the Pipeline Operator as to when a notice is to be sent under clause 255(1);(ii) Add a note to clause 255(1) (see Attachment A) that the Information Pack prescribes the e-mail address Pipeline Operators are to use. An update to the Information Pack (see Attachment B) is also proposed that specifies notices are to be sent to the “wa255notice@aemo.com.au” e-mail account. A sample e-mail is also provided in Attachment C as well as the template of the notice (see Attachment D).(iii) Amend the RMP to remove the word “promptly”. AEMO is also proposing that the electronic address (e-mail address) prescribed in the GBO id table be used as the “record of source” to disseminate the Special Circumstance notice (see Attachment A). <p>The proposed changes require minor business process changes only. There are no changes to any of AEMO or market participants IT WA gas retail market systems.</p> <p>Subject to the appropriate approval being obtained, the proposed amendments are to be published in a new version 2.0 of the RMP and a new version 5.3 Non-IT RMP Communications that is</p>
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	<p>targeted for an effective date of 31/03/17.</p> <p>The precise amendments are detailed in Attachment A, B, C and D of this IIR.</p>
<p>2. Reference documentation</p> <ul style="list-style-type: none"> ▪ Retail Market Procedure (the “Procedures”); ▪ AEMO Business/Information Specification Pack Reference; and/or ▪ Other Reference. 	<p>Retail Market Procedures (RMP) (WA) version 1.0</p> <p>Information Pack artefact Non-IT RMP Communications version 5.2.</p>
<p>3. The high-level details of the change(s) to the existing Procedure</p> <p>This includes:</p> <ul style="list-style-type: none"> ▪ a comparison of the existing operation of the Procedure to the proposed change to the operation of the Procedure; and ▪ a marked up version of the proposed Procedure changes (see Attachment A) 	<p>As indicated in section 1, the proposed changes in this IIR is to add further clarity to the RMPs.</p> <p>The precise amendments are detailed in Attachment A, B, C and D.</p>
<p>4. Explanation regarding the order of magnitude of the change (e.g. material, non-material or non-substantial)</p>	<p>The impact of the proposed amendments as described in this IIR are considered to be ‘low impact’ because the amendments:</p> <ul style="list-style-type: none"> a) Do not materially impact the information technology systems of AEMO, participants, pipeline operators or prescribed persons; b) Do not materially alter consumer protection mechanisms under the Procedures; and c) Do not have a material commercial impact on AEMO, participants, pipeline operators or prescribed persons.

ASSESSMENT OF LIKELY EFFECT OF PROPOSAL

<p>5. Overall Industry cost/benefit analysis (tangible / intangible / risk) and/or cost estimates</p>	<p>AEMO will not incur any implementation cost or ongoing cost associated with the proposed procedure change. At the PCC held on 7/12/16 no gas retail market participants indicated that they would incur costs as a result of this change.</p> <p>AEMO considers that the likely benefit for industry as a whole is clarity in Procedures to make it straightforward for all parties to comply with requirements and to ensure that participants receive information which may impact their operations in the retail market as soon as practical.</p>
<p>6. The likely effect of the change(s) on stakeholders (e.g. industry or end-users)</p>	<p>AEMO will need to set up a process to administer the forwarding of the information provided to AEMO within the prescribed one hour timeline.</p> <p>AEMO will need to establish a new e-mail account to receive Special Circumstances notices from the Pipeline Operator.</p> <p>AEMO will need to update the Special Circumstances notice template with the new e-mail account details and publish the new template on its website.</p> <p>Pipeline Operators will need to set up an internal business process to send Special Circumstances notices to AEMO's new e-mail address as described in Attachment B in a form described in the sample contained in Attachment C.</p> <p>Procedure Change Committee (PCC) members will need to advise the staff within their organisation that currently administer the e-mail accounts referred to in the GBO id that they will be receiving Special Circumstance notices.</p>
<p>7. Testing requirements</p>	<p>There are no testing requirements</p>
<p>8. Consideration of the recommended Procedure change by AEMO under Rule 399.</p> <p>AEMO must either:</p> <ul style="list-style-type: none"> ▪ endorse the recommended Procedure change; or ▪ reject the recommended Procedure change 	<p>In accordance with clause 394(5) AEMO has considered the proposed amendment and determined to accept the PCC recommendation. In accordance with clause 396(5) AEMO agrees with the PCC assessment that this change a low impact procedure change.</p>

<p>9. Consultation forum outcomes (e.g. the conclusions made on the change(s), whether there was unanimous approval, any dissenting views)</p>	<p>At its meeting on 07/12/16, the Pipeline Operators and the PCC discussed the GMI developed by AEMO that outlined the proposed amendments. Further minor amendments were agreed at this meeting whereby the Pipeline Operators and the PCC unanimously agreed to recommend the proposed procedure changes to AEMO as a low impact procedure change.</p>
<p>10. Authorisation review:</p> <ul style="list-style-type: none"> ▪ does this Procedure change impact the ACCC authorisation? 	<p>The Australian Competition and Consumer Commission (ACCC) granted Authorisations to REMCo to operate Chapter 5 (Allocation, Reconciliation and Swing) and Chapter 6 (Compliance and Interpretation) of the RMPs and associated ancillary deeds. The ACCC approved variations to the Authorisations to enable REMCo to transfer administration to AEMO.</p> <p>Authorisation is a process where the ACCC may grant protection from legal action for anti-competitive conduct that might otherwise breach the Competition and Consumer Act 2010 (the CCA) where there is an offsetting public benefit from the conduct.</p> <p>Changes to the RMP Chapters and ancillary deeds covered by the Authorisations must be assessed to determine whether the change impacts the Authorisation.</p> <p>It has been determined that the proposed changes are procedural and do not materially change the substantive obligations of AEMO or participants and therefore do not impact the ACCC authorisation.</p>
<p>11. Should the proposed Procedure change be made, (with or without amendments)?</p>	<p>AEMO recommends that the proposed amendments as described in this IIR should be made without further amendments</p>
<p>12. If applicable, a proposed effective date for the proposed Procedure change(s) to take effect and justification for that timeline.</p>	<p>The proposed amendments are to be published in a new version 2.0 of the RMP and a new version 5.3 Non-IT RMP Communications that is targeted for an effective date of 31/03/17.</p>

ATTACHMENT A – DOCUMENTATION CHANGES (SEE SECTION 3)

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

As per clause 378B(a) of the RMP, the following is the proposed procedure change and any applicable alternative amendments as marked-up changes to the text of the procedures.

~~Red strikeout~~ means delete and blue underline means insert

255 Pipeline operator to inform of special circumstances

{Note: The following is a guide to assist the *pipeline operator* in assessing whether it should provide a notice to AEMO under clause 255(1). The *pipeline operator* should consider:

- The materiality of the special circumstances. That is, how material was the difference between what the *pipeline operator* injected vs. what *shippers* nominated for *injection* and/or the *swing service providers* requested for repayment. As a guide, a difference of greater than 15% of the gate station nameplate capacity should generally be considered material. Alternatively the pipeline operator should consider whether deliveries of gas into a sub-network have been either partially or fully curtailed.

The Information Pack document “Non-IT RMP Communications” prescribes the e-mail address where notices under clause 255(1) should be sent.

- (1) If the *pipeline operator* of a *pipeline* is aware of anything which prevented gas deliveries through the *gate point* on the *pipeline* being made in accordance with a *shipper’s* request for *injections* or *swing service provider’s* request for *repayment* (as applicable) under its *transmission contract* on a *gas day*, in a manner that may have contributed materially to *swing service*, then it must, as soon as practicable, give AEMO a description of the cause and circumstances of that prevention, and the manner in which *injections* or *repayments* (as applicable) were affected.
- (2) ~~AEMO~~ AEMO must, within 1 hour after receiving information under clause 255(1), promptly provide the same information to each person who has a GBO identification that is active. ~~each user which gave an allocation instruction allocating gas to a shipper in the pipeline for the gas day, and each shipper named in each such allocation instruction.~~

{Note: For the avoidance of doubt, when providing the information in clause 255 (2) AEMO will use the e-mail address contained in the GBO identification table published on AEMO’s website}

Attachment B – Non-IT RMP Communications

~~Red strikethrough~~ means delete and blue underline means insert

255(1) WA only	<u>Pipeline operator to inform of special circumstances (other pipelines)</u>	<u>A pipeline operator to provide a special circumstances notice to AEMO</u>	<u>The pipeline operators should email any notices to: wa255notice@aemo.com.au</u> Unstructured email
255(2) WA only	Pipeline operator <u>AEMO</u> to inform of special circumstances (other pipelines)	After receiving information from a pipeline operator that the gas provided through the gate-point varies materially from the shippers requests for injections, AEMO must promptly provide this information to each relevant user and shipper <u>each person who is required under clause 22(2) to have a GBO identification and status of the GBO identification is active</u>	
277(1) WA	Subscription for information	A person may apply to AEMO to become a subscriber for a sub-network	Formal letter

Attachment C – Sample e-mail that the Pipeline Operator is to send

From: Fred.Flinston@apa.com.au
Sent: Wednesday, 9 November 2016 09:13
To: WA 255 Notice (CRM) <wa255notice@aemo.com.au>
Subject: Clause 255 Special Circumstance notice from APA

Please do not reply to this e-mail.

Attached is a Clause 255 Special Circumstance notice.

If you have any question about this circumstance about this notice, contact the proponent. The contact details for the proponent is mentioned in the attached notice.

For any other questions please contact rmo@aemo.com.au

<insert notice>

Attachment D – Updated template



NOTICE UNDER CLAUSE 255(1) OF THE RETAIL MARKET PROCEDURES FOR THE PIPELINE OPERATOR TO INFORM OF SPECIAL CIRCUMSTANCES – SUMMARY SECTION

For Pipeline Operator to complete.

This notice is to be sent to AEMO (wa255notice@aemo.com.au) under clause 255(1) (as soon as practicable) if the Pipeline Operator is made aware of anything which prevented gas deliveries through a gate point on its pipeline (that is):

- (i) → in accordance with a shipper's request for injections or swing service provider's request for repayment (under its transmission contract); or*
- (ii) → in a manner that may have contributed materially to swing service.*

Name		Company	
Contact e-mail		Contact phone	
Company's GBO id			
Date notice sent to AEMO			
Other key contact information			

1. → Description <i>(i.e. cause and circumstances of the prevention)</i>	
2. → Impact <i>(i.e. parties affected, impact on injections and repayments)</i>	
3. → Timeframe <i>(i.e. how long until gas deliveries return to normal?)</i>	

