

**IMPACT & IMPLEMENTATION REPORT – SUMMARY SECTION**

<b>Issue Number</b>	BB IIR 17-001		
Proponent	Australian Energy Market Operator (AEMO)	Date of submission	n.a.
Affected gas markets	Natural Gas Services Bulletin Board (NGSBB)	Consultation process (Ordinary or Expedited)	Ordinary
Industry consultative forums used	GBB Redevelopment Group	Date industry consultative forums consultation concluded	17 March 2017
Short description of change	AEMO recommends that the Schedule of Default Pipeline Flow Direction be updated to change the default flow direction for the Forecast Pipeline Flows report.		
Procedures or documentation impacted	Schedule of Default Pipeline Flow Direction v1		
Date I&IR published	22 <sup>nd</sup> March 2017	Date consultation under 135EE or 135EF concludes	21 <sup>st</sup> April 2017
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**IMPACT & IMPLEMENTATION REPORT – DETAILED REPORT SECTION**

**ASSESSMENT OF PROPOSAL**

<p>Summary and rationale for the changes  (see Attachment A for the full set of changes)</p>	<p>The Council of Australian Governments Energy Council (COAG) has requested that AEMO implement a ‘fixed standard for the assumed direction of bidirectional pipelines’. This request was based on a recommendation made by the AEMC in its recent <a href="#">East Coast Wholesale Gas Market and Pipeline Frameworks review</a>.</p> <p>The AEMC recommendation referenced some concerns raised by stakeholders that relate to the assumed direction of pipelines on the GBB. The current Forecast Pipeline Flows report and NGSBB homepage map cannot be easily understood without cross referencing with the Schedule of Default Pipeline Flow Direction.</p> <p>AEMO intends to change the way that flow direction in the Forecast Pipeline Flows report is defined. This change will display the information contained in the Forecast Pipeline Flows report and on the NGSBB homepage map in a more intuitive manner.</p>
<p>Cost estimate (and/or cost/benefit analysis)</p>	<p><u>Costs</u></p> <p>AEMO’s expected costs for implementing these changes are minimal, as these changes can be implemented in the ordinary course of business.</p> <p>These proposed Procedures changes will most likely have a minor impact on participants as they could require changes to IT systems to reflect the changes to the forecast Pipeline Flows Report.</p> <p><u>Benefits</u></p> <p>The benefits are described above as part of the rationale for the change.</p>
<p>The likely implementation effect of the change(s) on stakeholders</p>	<p>It is expected that the proposed Procedure changes will require participants to make minor changes to IT systems, to reflect the change to the Forecast Pipeline Flows report.</p>

<p>Testing requirements</p>	<p>AEMO will need to undertake user acceptance testing to the interactive GBB map to ensure the forecast pipeline flow and capacity data are aligned.</p> <p>Affected participants will need to undertake individual testing and assessment of their requirements for submission of the required NGSBB data.</p>
<p>AEMO's preliminary assessment of the proposal's compliance with section 135EB:</p>	<p><u>Consistency with NGL and NGR</u></p> <p>AEMO's view is that the proposed changes described in this document are consistent with the National Gas Law (NGL) and the NGR.</p> <p><u>National Gas Objective (NGO)</u></p> <p><i>"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."</i></p> <p>AEMO considers that the proposed Procedures are likely to contribute to the NGO because it promotes transparency of the gas market in the east coast, and assists gas market participants to make decisions and manage risk.</p>
<p>Consultation forum outcomes</p>	<p>There was no feedback from participants following the PPC stage of consultation.</p>

<b>RECOMMENDATION(S)</b>	
Should the proposed Procedures be made, (with or without amendments)?	<p>AEMO recommends that the draft Procedures presented with the PPC be made with no amendment.</p> <p>Taking into account the consultation that has occurred, AEMO recommends the proposed Procedures change should be made as described in Attachment A.</p>
Proposed effective date for the proposed change(s)	<p>AEMO invites feedback on the draft Procedures. As per the consultative procedure, registered participants and interested parties have 20 business days from the date of this notice to provide written submissions on this decision. This 20 business day period ends on 21<sup>st</sup> April 2017.</p> <p>Subject to feedback through this consultation, AEMO will publish a final decision and any associated notices on its website within 20 business days after the closing date for submissions.</p> <p>In accordance with Rule 135EE(5) of the NGR, the effective date for any Procedures change must be at least 15 business days before the day on which new Procedures are to take effect.</p> <p>AEMO proposes an effective date of 1 June 2017 to align with the commencement date of the changes to the NGR.</p>

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

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

**Comments may be used to explain changes to the document**

Please refer to (**Attachment A**) for the change marked copy of the Schedule of Default Pipeline Flow v1.