

IMPACT & IMPLEMENTATION REPORT – SUMMARY SECTION
(For AEMO to complete and administer)

Issue Number	IN007/17		
Impacted Jurisdiction (s)	South Australia		
Proponent	Nandu Datar	Company	AEMO
Affected Gas Markets(s) <ul style="list-style-type: none"> ▪ Retail ▪ Wholesale ▪ Bulletin Board ▪ STTM 	Retail Gas	Consultation process (Ordinary or Expedited)	Ordinary
Industry Consultative forum(s) used	GRCF	Date Industry Consultative forum(s)consultation concluded	27 March 2018
Short Description of change(s)	Changes to weather observation station.		
Procedure(s) or Documentation impacted	Refer to documents listed in section 2 of this Impact and Implementation Report (IIR).		
Summary of the change(s)	Modify the Retail Market Procedure (RMP) to remove specific references to weather observation stations and include a new clause that places an obligation on AEMO to maintain and consult on a separate register of weather observation station locations. See section 1 of this IIR for further detail on these changes.		
I&IR Prepared By	Nandu Datar	Approved By	Danny McGowan
Date I&IR published	11 April 2018	Date Consultation under 135EE or 135EF concludes	9 May 2018
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IMPACT & IMPLEMENTATION REPORT – DETAILED REPORT SECTION

CRITICAL EXAMINATION OF PROPOSAL

1. Description of change(s) and reasons for change(s)

Rationale:

AEMO has received advice that the Kent Town weather observation station will no longer be the official observation and forecast location for the city of Adelaide. From the 14 June 2017 the West Terrace weather observation station became Adelaide's official observation and forecast location. The two observation stations have been operating in tandem for some months. The Kent Town station is earmarked to close in mid 2018.

The changes described in this Impact and Implementation Report (IIR) proposes that the Retail Market Procedures (RMP) SA be amended to remove specific weather observation station locations and insert a new clause that places an obligation on AEMO maintaining and publishing on its website a register of weather observation station locations and seek responses from Users and the Network Operator before making a change to the register.

The benefit of maintaining a register as opposed to "hard coding" weather observation station locations in the RMPs is it will provide AEMO with the flexibility to respond to any future changes made by the Bureau of Meteorology (BoM) in a timely manner without having to run a RMP consultation which can be unnecessarily costly and time consuming.

Summary of proposed amendments:

Appendix 11 (Heating Degree Day for South Australia) of the RMP (SA) specifies that for the Adelaide Heating Degree Day (HDD) zone, the weather data from the Kent Town weather observation station is to be used. Given Kent Town is no longer the official observation and forecast location for Adelaide the RMP will need to be amended.

Given that the weather observation station locations can change with minimal advance notice from the BoM, AEMO proposes to remove the "hard coding" of specific weather observation station location in the RMPs, and instead, maintain and publish separate register of weather observation station locations (See attachment B). Prior to implementing any changes to this register, AEMO will notify Users and the Network Operator of the proposed changes and allow them to provide feedback to AEMO.

AEMO also proposes to amend the RMP to remove specific references to weather observation stations and include a new clause that places an obligation on AEMO to maintain and consult on a register (See attachment A).

<p>2. Reference documentation</p> <ul style="list-style-type: none"> ▪ Procedure Reference ▪ GIP/Specification Pack Reference ▪ Other Reference 	<p>Retail Market Procedures (SA) – V11</p> <p>Register of Weather Observation Stations (New document)</p>
<p>3. The high level details of the change(s) to the existing Procedures</p> <p>This includes:</p> <ul style="list-style-type: none"> ▪ A comparison of the existing operation of the Procedures to the proposed change to the operation of the Procedures ▪ A marked up version of the Procedure change (see Attachment A) 	<p>Amend Appendix 11 (Heating Degree Day for South Australia) of the RMP (SA) to remove reference to weather observation station 'Kent Town' and specify that weather observation station for Adelaide Heating Degree Day (HDD) zone will be obtained from the new document 'Register of Weather Observation Stations'. See Attachment A for further details.</p> <p>Create a new document Register of Weather Observation Stations containing a list of weather observation station locations. See Attachment B for further details.</p>
<p>4. Explanation regarding the order of magnitude of the change</p> <p>(eg: material, non-material or non-substantial)</p>	<p>This initiative will require minor RMP changes and creating a separate register containing a list of weather observation stations.</p> <p>AEMO considers the order of magnitude of this change is 'non-material'.</p>

ASSESSMENT OF LIKELY EFFECT OF PROPOSAL

<p>5. Overall Industry Cost / benefit (tangible / intangible / risk) analysis and/or cost estimates</p>	<p>Creating a separate register of weather observation stations will allow AEMO to quickly respond to changes made by the BoM.</p> <p>Section 9 of this IIR describes the consultation steps undertaken by AEMO prior to issuing this IIR. During the PPC consultation period, no participant raised any concerns in relation to cost impacts to industry or the benefits identified. AEMO has therefore concluded that there are no significant costs to implement the proposed changes and that the above benefits should be realised over time.</p>
<p>6. The likely implementation effect of the change(s) on stakeholders</p> <p>(e.g. Industry or end-users)</p>	<p>Implementation of this initiative will not require any changes to the systems or processes for SA participants. AEMO will need to make a configuration change to its system.</p>

7. Testing requirements	Not applicable
<p>8. AEMO's preliminary assessment of the proposal's compliance with section 135EB:</p> <ul style="list-style-type: none"> - consistency with NGL and NGR, - regard to national gas objective - regard to any applicable access arrangements 	<p><u>Consistency with NGL and NGR:</u></p> <p>AEMO's view is that the proposed RMP changes are consistent with the NGL and cover matters that the RMP may deal with under Section 135EA(1) of the NGR.</p> <p><u>National Gas Objective</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>It is AEMO's view that the proposed changes described in this IIR will assist the efficient operation of the retail gas market, and are in the long-term interests of consumers as it promotes retail competition.</p> <p><u>Applicable Access Arrangements</u></p> <p>AEMO's view is that the proposed changes in this IIR are not in conflict with existing Access Arrangements. The Distributor did not raise concerns with the proposed amendments in relation to their Access Arrangement.</p>
<p>9. Consultation Forum Outcomes</p> <p>(e.g. the conclusions made on the change(s) whether there was unanimous approval, any dissenting views)</p>	<p>On 6 March 2018 AEMO published on its website a Proposed Procedure Change (PPC) that recommended minor documentation changes as described in attachment A and B. Registered participants and interested stakeholders were invited to make submissions which closed on 27 March 2018.</p> <p>AEMO received submissions from AGL, Origin Energy, and Red/Lumo supporting the proposal. Further changes proposed by AGL will be considered as part of the SA Harmonisation program of work (IN006/17).</p> <p>AEMO identified a need to make a minor change section 3 of the register to remove a superfluous sentence.</p>

RECOMMENDATION(S)	
10. Should the proposed Procedures be made, (with or without amendments)?	AEMO recommends that the changes be made as proposed in attachment A and B with amendments as per the consultation forum outcome (see item 9 above).
11. If applicable, a proposed effective date for the proposed change(s) to take effect and justification for that timeline.	<p>Subject to all necessary approvals AEMO is targeting to implement this change on 29 June 2018.</p> <p>To achieve this AEMO proposes the following timeline:</p> <ul style="list-style-type: none"> • Issue IIR on 11 April 2018 • Submissions on IIR close 9 May 2018 • AEMO decision 25 May 2018 • Effective date 29 June 2018.

ATTACHMENT A

Proposed changes: Retail Market Procedures – South Australia

~~Red strikeout~~ means delete and

blue underline means insert

Appendix 11 HEATING DEGREE DAY FOR SOUTH AUSTRALIA

Sub appendix 11.1 – HDD zones

~~Sub-appendix 11.1 – HDD zones~~

- (A1) (a) AEMO must maintain and publish a register of weather observation station locations used to measure weather data.
- (b) AEMO, prior to implementing changes to the published register of weather observation station locations, must:
- (i) provide Users and Network Operators with the proposed change to the register of weather observation station locations; and
 - (ii) allow a reasonable time to receive Users and Network Operators responses to the proposed register of weather observation stations locations.

- (1) For the purposes of clause 177, South Australia contains the following *positive HDD zones*:
- (a) Northern HDD zone ~~—for which the weather data for Ceduna must be used;~~
 - (b) Adelaide Region HDD zone ~~—for which the weather data for Adelaide (Kent Town weather station) must be used;~~
 - (c) Riverland HDD zone ~~—for which the weather data for Mildura must be used;~~ and
 - (d) Mount Gambier HDD zone ~~—for which the weather data for Mount Gambier must be used.~~

The designated weather observation station location for the HDD zone described in sub clause (a) to (d) are published in the register described in clause A1.

- (2) For the purposes of clause 177, South Australia contains the following *negative HDD zones*:
- (a) Adelaide Metropolitan HDD zone - for which the weather data for Adelaide ~~(Kent Town weather station)~~ must be used.

The designated weather observation station location for the HDD zone described in sub clause (a) is published in the register described in clause A1.



REGISTER OF WEATHER OBSERVATION STATIONS USED IN GAS RETAIL MARKETS

PREPARED BY: AEMO/Markets/Market Enhancement
DOCUMENT REF: XX-XXXX
VERSION: 1.0
EFFECTIVE DATE: 29 June 2018
STATUS: DRAFT

Approved for distribution and use by:
APPROVED BY: Peter Geers
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DATE: / / 20



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NEW SOUTH WALES QUEENSLAND SOUTH AUSTRALIA VICTORIA AUSTRALIAN CAPITAL TERRITORY TASMANIA WESTERN AUSTRALIA

VERSION RELEASE HISTORY

Version	Effective Date	Summary of Changes
1.0	29/08/2018	First Issue.

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1. PURPOSE AND SCOPE

National Gas Rules (NGR) allow for AEMO to make Retail Market Procedures (RMP). RMPs are the approved regulatory standards that place fundamental obligations on AEMO, Distributors and Retailers. The RMPs describe various obligations that facilitate interaction between parties in the market.

In relation to meter data, the RMPs contain obligations that apply if meter data is not available or unable to be obtained. These obligations often set out requirements to produce an estimated read. Weather data is often used in the calculation of an estimated read.

This document contains a listing of the weather observation station applicable for each jurisdiction where they are not prescribed in the RMP.

2. RELATED DOCUMENTS

Reference	Title	Location
Ref #1	Retail Market Procedures (RMP) South Australia	Published on AEMO website

¶

3. → CHANGE PROCESS TO AMEND THIS REGISTER.¶

AEMO is responsible for maintaining the list of weather observation locations described in section 4 of this document.¶

Prior to making any amendment to the list of weather stations described in section 4, AEMO must inform the Gas Retail Consultative Forum (GRCF) of any such change.¶

¶

4. → WEATHER OBSERVATION LOCATIONS.¶

4.1. → South Australian Weather Observation Locations.¶

The following is a list of the weather observation stations applicable to Appendix 11 (Heating Degree Day for South Australia) of the Retail Market Procedures (RMP) (SA) (Ref# 1).¶

¶

Table 1 → South Australian weather observation station¶

Heating Degree Day (HDD) zone	Service Provider	Observation station
Northern	Australian Government Bureau of Meteorology	Ceduna
Adelaide Region	Australian Government Bureau of Meteorology	West Terrace / Ngayindjara
Riverland	Australian Government Bureau of Meteorology	Mildura
Mount Gambler	Australian Government Bureau of Meteorology	Mount Gambler
Adelaide Metropolitan	Australian Government Bureau of Meteorology	West Terrace / Ngayindjara

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ATTACHMENT C – Consolidated List of Stakeholder Feedback to Proposed Procedure Change

STAKEHOLDER	CLAUSE/SECTION REF.	ISSUE/COMMENT	PROPOSED TEXT RED STRIKEOUT MEANS DELETE AND <u>BLUE UNDERLINE</u> MEANS INSERT	AEMO RESPONSE
AGL	11.1 (1)	Suggest that the specific HDD zones also be removed from the RMPs, and included in the same document as the weather stations	(a) ... <u>maintain and publish a register of weather observation station locations and associated HDD zones</u>	AEMO acknowledges AGL's proposed change and advises that this change will be considered as part of the SA Harmonisation program of work (IN006/17).
AGL	Draft Register	Noting that Adelaide Metropolitan is a negative HDD there should be relevant commentary in an updated register to identify this fact.	<u>Suggest comment in table 1 of register.</u>	AEMO acknowledges AGL's proposed change and advises that this change will be considered as part of the SA Harmonisation program of work (IN006/17).
AGL	RMP CI 177 APP 11 FRC B2B System Interface Definitions	SA CI 177 requires recalculation of various co-efficients associated with Heating Degree Day and must recalculate when a weather station changes. It is suggested that these co-efficients are also published within the register of weather stations and be removed from the RMPs as appendix 11.	(2) AEMO must, ...update to Appendix 11 <u>the register of Weather Observation Station Locations specifying</u>	AEMO acknowledges AGL's proposed change and advises that this change will be considered as part of the SA Harmonisation program of work (IN006/17).

STAKEHOLDER	CLAUSE/SECTION REF.	ISSUE/COMMENT	PROPOSED TEXT RED STRIKEOUT MEANS DELETE AND <u>BLUE UNDERLINE</u> MEANS INSERT	AEMO RESPONSE
AGL	App 11	For the same reasons it is also suggested that the remaining information within Appendix 11 (cl (3)) also be relocated to the weather station listing.		AEMO acknowledges AGL's proposed change and advises that this change will be considered as part of the SA Harmonisation Program of work (IN006/17).
AGL	App 3	Appendix 3 (Calculation of MIRN checksum) could also be relocated to the AEMO generic MIRN document		AEMO acknowledges AGL's proposed change and advises that this change will be considered as part of the SA Harmonisation Program (IN006/17).
Origin Energy	General	Changes are acceptable to Origin		AEMO acknowledges Origin Energy's support
Red/Lumo	Sub appendix 11.1 (A1)	Red and Lumo suggest it is imperative that AEMO define the term <i>reasonable time</i> . We propose AEMO gives Users and Network Operators 10 Business days' time notice of changes to the published register of weather station locations.	i. Allow a reasonable time <u>10 business days' notice</u> to receive Users and Network operators responses to the proposed register of weather observation stations locations	AEMO does not support Red/Lumo's proposal. AEMO has similar obligation set out in notifying changes to Energy Value Validation Ranges (CI 3.6.10 of NSW/ACT RMP) or FCLP Amount Calculation Methodology (CI 8.6.7 g of NSW/ACT RMP) where a timeframe in number of days is not specified.

STAKEHOLDER	CLAUSE/SECTION REF.	ISSUE/COMMENT	PROPOSED TEXT RED STRIKEOUT MEANS DELETE AND <u>BLUE UNDERLINE</u> MEANS INSERT	AEMO RESPONSE
		It is only in a rare event of unforeseen circumstances that this notice period is to be waived. AEMO receives advanced notice of changes to weather stations and therefore it is not unrealistic to expect AEMO advises market within a timeframe that allows the necessary changes be made where applicable.		
AEMO	Section 3 of the register of weather observation stations used in gas retail markets	The document contains a superfluous statement indicating that AEMO receives changes to weather observation stations from Bureau of Meteorology.	AEMO (CGI) receives any changes to weather observation stations from the BoM.	AEMO has removed the sentence.