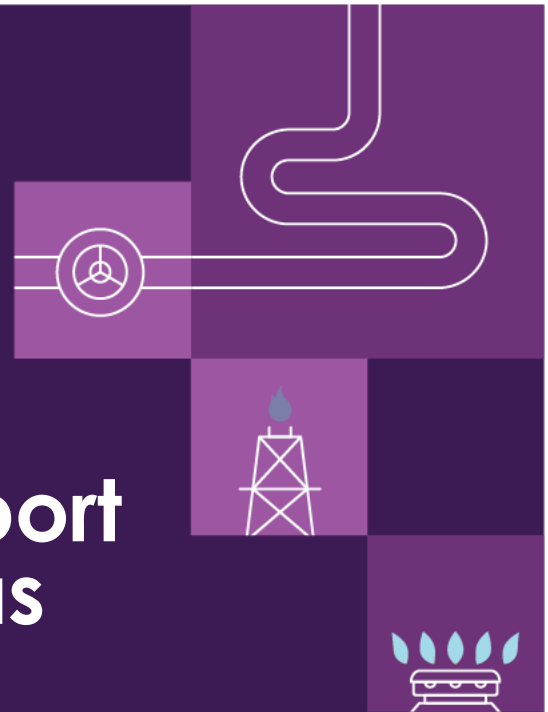


Impact and Implementation Report (IIR) – East Coast Gas System Procedures



Impacted jurisdiction(s)	All except Western Australia		
Proponent	Luke Stevens	Company	AEMO
Affected Gas Market(s)	East Coast Gas System	Consultation process (Ordinary or Expedited)	Ordinary
Industry Consultative forum(s) used	Gas Reform Working Group	Date Industry Consultative forum(s) consultation concluded	28 February 2023
Short Description of change(s)	Implementation of the Minister initiated National Gas (South Australia) (East Coast Gas System) Amendment Bill 2022 via the East Coast Gas System (ECGS) Procedures		
Procedure(s) or Documentation impacted	Implementation of new: East Coast Gas System Procedures and East Coast Gas System Guidelines.		
IIR Prepared By	Luke Stevens	Approved By	Violette Mouchaileh
Date IIR published	28 March 2023	Date Consultation under 135EE or 135EF concludes	11 May 2023
Email Address for Responses	Luke.stevens@aemo.com.au gasreform@aemo.com.au		

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Impact and Implementation Report – Detailed Report Section

Critical Examination of Proposal

1. Description of issue

Implementation of the Minister initiated National Gas (South Australia) (East Coast Gas System) Amendment Bill 2022¹ via the East Coast Gas System (ECGS) Procedures and BB Procedures.

The new East Coast Gas System Procedures are required to be made by National Gas Law (NGL) 91AD(1)(h) and are to be effective from 1 June 2023.

2. Reference documentation

- East Coast Gas System Procedures
- BB Procedures
- BB Data Submission Guide

3. Overview of changes

3.1. East Coast Gas System Procedures

The East Coast Gas System Procedures, as per NGL 91AG, may deal with the matters set out in the Rules. AEMO is required to have new Procedures that deal with the following matters:

- the establishment of a register of relevant entities;
- the disclosure obligation requirements of relevant entities to provide information under these Procedures, including defining demand and linepack zones for the purposes of the disclosure obligations;
- monitoring of the east coast gas system and details how AEMO will communicate issues via:
 - risk or threat notices – AEMO will inform relevant entities of an identified risk or threat event to all or part of the east coast gas system. This risk or threat notice will identify the location and timing an actual or potential risk or threat;
 - gas supply adequacy and reliability conferences;

¹ <https://www.energy.gov.au/government-priorities/energy-ministers/priorities/gas/proposed-regulatory-amendments-extend-aemos-functions-and-powers-manage-east-coast-gas-supply-adequacy>

- direction notices – AEMO may direct relevant entities to undertake actions to resolve an identified risk or threat event to all or part of the east coast gas system. AEMO will publish direction notices where this occurs;
- trading notices – AEMO will publish a trading notice if AEMO is required to trade in gas to resolve an identified risk or threat event to all or part of the east coast gas system;
- compensation methodology for relevant entities to claim direct costs as a result of an AEMO direction; and
- how the costs associated with the trading fund are to be recovered.

3.2. BB Procedures

The BB Procedures have been amended as follows:

- Section 6.1 to align with the requirements of the East Coast Gas System Procedures;
- Section 6.3.3 medium term capacity outlooks for BB facilities to incorporate the new data submission time and to acknowledge a materiality threshold specified in the Rules;
- Section 6.5.2 has been updated to align with the new definition in the Rules of storage cushion gas; and
- Minor editorial amendments throughout the Procedures to provide clarity.

The attached BB Data Submission Guide outlines the draft proposed data submission templates required to implement the proposed changes to the BB Procedures.

4. Likely implementation effects and testing requirements

The implementation plan requires data submissions to the Gas Bulletin Board through AEMO's MarketNet. The following submissions are expected to be required:

- Expected daily demand forecasts – provides on each gas day D-1 for gas days D to D+6, the expected daily gas demand and breakdown of market supply. This submission applies to gas retailers, self-contracting users, BB large user facilities and LNG export projects.
- Medium term capacity outlook is to be submitted each Monday at 19.00 hrs AEST. This is a change in timing to an existing Part 18 submission.
- Medium term maintenance outlooks for demand will be required to be submitted weekly. The Medium Term Capacity Outlook submission will be utilised to meet this requirement.
- Linepack forecasts - provides on each gas day D-1 for gas days D to D+6, the expected linepack in each linepack zone. This is a new submission and the BB data submission guide has been updated based on feedback received during the consultation period.
- Short term capacity outlooks for pipelines - provides on each gas day D-1 for gas days D to D+6, the daily capacity for each pipeline segment for gas days D to D+6. This is an existing submission.
- Extended daily capacity outlooks – provides on each Monday of month M-1, the daily capacity forecast for months M to M+5. This submission requires the capacity outlook to be

submitted for every day in the outlook period. Based on the feedback from submissions AEMO has decided to use the Medium Term Capacity Outlook submission. This ensures no overlap between short and medium term capacity outlooks.

- Medium term capacity outlook recall times – provides on each Monday of month M-1, the maintenance outlook recall times for months M to M+23. This will be incorporated into the existing Medium Term Capacity Outlook submission.
- Domestic supply and export forecast - provides on the last gas day of each month M-1, information about domestic supply and LNG exports for months M to M+5. This has been split into two different submissions.
- Register of relevant entities will be developed and released to participants - this will require relevant entities to confirm and provide contact details to AEMO.
- A system for issuing notices will be implemented that will allow AEMO to communicate with those on the Register to inform them of risk or threat notices, direction notices and trading notices via email and SMS to relevant entities registered contacts.

The expected release dates for these IT system changes, at which we will request participant's test their data submission systems, are:

- Pre-production (participant testing) release is planned for the week starting Monday 1 May 2023.
- Production (go-live) is planned for within the week leading into 1 June 2023 (the Procedure effective date).

5. Overall cost and benefits

AEMO considers that this PPC implements the new East Coast Gas System Procedures in a way that delivers the requirements of the proposed Rules relating to AEMO's east coast gas system reliability and supply adequacy functions and minimises the costs of compliance with the new proposed Procedures. The gas reforms present a material change to AEMO's roles and responsibilities across the east coast gas market, further supporting the national gas objective of reliability and security of supply of natural gas.

AEMO notes the new Procedures are primarily focused on:

- Additional data to the Gas Bulletin Board (particularly around the submission of demand forecasts)
- Development of GBB pipe segments, linepack zones, demand zones and supply zones to assist in the monitoring and assessment of the East Coast Gas System.

AEMO considers that the additional information provision from relevant entities represents the requirement to enable AEMO to successfully manage east coast gas supply adequacy.

6. AEMO's preliminary assessment of the proposal's compliance with section 135EB

The set of changes described in this document are required for AEMO's procedures to maintain consistency with the NGL and NGR to implement the Ministerial Council on Energy's 'Proposed

regulatory amendments to extend AEMO's functions and powers to manage east coast gas supply adequacy².

AEMO considers the new ECGS Procedure and consequential changes to existing BB Procedures are appropriate in meeting the National Gas Objective in the delivery of efficient operation and use of natural gas services for the long term interests of consumers of natural gas with respect to reliability and security of supply of natural gas.

7. Consultation outcomes

AEMO published the Proposed Procedure Change for this consultation (PPC) and informed, by email, the Gas Reform Working Group of the PPC on 31 January 2023.

AEMO received 7 submissions to the PPC that are published on the consultation webpage³ and issues raised in these submissions are summarised in Appendix B. AEMO has taken onboard the feedback from a further 3 confidential submissions and reflected this feedback in the Procedures where AEMO considered it appropriate.

8. Impact and Implementation Report – Recommendation(s)

8.1. Should the proposed Procedures be made?

AEMO recommends that the Procedures should be published as set out in the draft Procedures published with this IIR.

8.2. Proposed timelines

- PPC published: 28 February 2023
- PPC consultation submissions due: 14 March 2023
- IIR expected publication date: 28 March 2023
- IIR consultation submissions due: 28 April 2023
- Decision published: 11 May 2023
- Effective Date of Procedures: 1 June 2023

AEMO notes a consultation on the East Coast Gas System Guidelines is also being undertaken under rule 8 of the NGR to provide an overview of the East Coast Gas System operational processes.⁴

² <https://www.energy.gov.au/government-priorities/energy-ministers/priorities/gas/proposed-regulatory-amendments-extend-aemos-functions-and-powers-manage-east-coast-gas-supply-adequacy>

³ <https://www.aemo.com.au/consultations/current-and-closed-consultations/implementation-of-east-coast-gas-system-procedures>

⁴ <https://www.aemo.com.au/consultations/current-and-closed-consultations/implementation-of-east-coast-gas-system-guidelines>

Appendix A. Procedures

AEMO is consulting on the following documents:

- East Coast Gas System Procedures
- BB Procedures
- BB Data Submission Guide

Appendix B. Summary of submissions and AEMO’S responses

The following responses were received from participants in response to the Proposed Procedure Change.

B.1 General comments on ECGS Procedures, BB Procedures and BB Data Submission Guide

Submitter	Submission details	AEMO response
East Coast Gas System Procedures general feedback		
Jemena	<p>The NGR and ECGS and/or BB Procedures should clarify the commencement date for new disclosure obligations which form part of the ECGS reform package but which will be given effect to by modifying BB (Part 18) reporting obligations. All reporting obligations under the ECGS package, regardless of whether they are within Part 27 or Part 18, should commence 2 months after the commencement date of the amending rules.</p> <p>Similarly, the commencement for civil penalty provisions associated with all new or changed ECGS reporting obligations should be delayed until 2 months after the commencement of the disclosure obligations.</p>	<p>The Part 18 changes such as the extension of the medium term capacity outlook would be effective immediately when the rule amendments are made. The two month delay only applies to Division 2 of Part 27 – Disclosure Obligations.</p>
EA	<p>AEMO should liaise with the AER and AEMC on winter 2022 events with potential learnings from the NEM compensation framework.</p>	<p>An interim compensation framework for directions has been implemented to allow additional time to develop a long-term approach and undertake further stakeholder engagement. The AEMC will undertake a review of this process.</p>
Origin, EA and APA	<p>AEMO should minimise duplication when requesting data and ingest required data using existing systems and processes.</p> <p>Some retailers take an aggregated portfolio approach to managing GPG and retail load. For the purposes of the new reporting which splits out Large User Facility (i.e. GPG) and Retailer expected demand, it is not clear how purchases should be allocated and apportioned to each segment.</p> <p>Many retailers submit data into the DWGM and STTM and have questioned whether AEMO could extend out those processes.</p>	<p>AEMO has investigated the potential to utilise the STTM and DWGM forecast demand data submissions (and solvers) to facilitate the submission of 7-day demand forecasts within those markets. This would require all DWGM/STTM participants (not just Part 27 retailers) to ensure bids and offers have submitted for the 7-day period. AEMO is not able to enforce that all data will be submitted to achieve this outcome. There are also a number of complexities and risks associated with making changes to the market systems and processes.</p> <p>Therefore, the use of the demand forecast and determining a market outcome for the period D+3 to D+7 would not create a market outcome of significant value to AEMO’s analysis of the east coast gas system.</p> <p>The procedures have been updated to clarify an approach for portfolio submissions.</p>
AGL	<p>AGL’s feedback on the East Coast Gas System Procedures is largely based on the Energy Ministers’ February 2023 Information Paper, which was released in lieu of the draft or final Rules. It is difficult to provide relevant and detailed feedback on the Procedures without seeing the underlying Rules, and it is possible that the views given here will change once the Rules are published. AGL is disappointed, given the significant impact these particular Rules may have, that they have not been provided ahead of this consultation process. It is not</p>	<p>AEMO appreciates the difficulty in providing feedback on draft Procedures in the absence of the underlying Rules being published. AEMO’s preference is for Rules to be published prior to Procedure consultation to ensure transparency.</p>

Submitter	Submission details	AEMO response
	appropriate for Procedures to precede delegated legislation (i.e., Rules). The process for developing the East Coast Gas System reforms, of which these Procedures form a part, should be taken as an extreme exception, and not an otherwise appropriate way to undertake Rule and Procedure amendments.	AEMO recognises there may be further changes to the Procedures that are required post the finalisation of the Procedures and will run a subsequent consultation following winter 2023 if further changes are required.
Red Energy and Lumo Energy	Red Energy and Lumo Energy (Red and Lumo) acknowledge the limited time available prior to winter 2023 which necessitates the consultation on procedures prior to acceptance of the National Gas (South Australia) (East Coast Gas System) Amendment Bill 2022 (Amendment Bill). However, we note the absence of any reference in the proposed procedures of the potential for revision or removal in the event that the bill is not passed in its current form. We recommend that AEMO provide clarification on elements of the reporting requirements (detailed below) to provide clear guidance to relevant entities and propose a minor amendment of the ECGS procedures to align with the proposed Rules and the BB Data Submission Guide.	Noted.
BB Data Submission Guide feedback		
Red Energy and Lumo Energy	<p>3.2.1. Identifiers for demand zones</p> <p>The description of Identifiers for Demand Zones specifies a 3 or 4 character reference to identify the pipeline. However the identifier for the APLNG Pipeline ‘APLNG-DE-01’ shown in East Coast Gas System Procedures, Appendix A. Demand zones is 5 characters.</p> <p>Proposed text:</p> <p>(DemandZoneld) used in transactions and reports subscribe to the following format:</p> <p>Description</p> <p>3 or 4 3, 4 or 5 character reference to identify the pipeline</p>	AEMO considers this change appropriate and has incorporated the change into the BB Data Submission Guide.
Red Energy and Lumo Energy	<p>3.2.1 clause A Part 27 relevant entity may report on multiple demand zone identifiers.</p> <p>This clause states that a Part 27 relevant entity may report on multiple demand zone identifiers.</p> <p>Does this clause contradict 4.21.2 Requirements which state that a gas forecast of zero must be submitted?</p>	The BB Data Submission Guide has been updated to reflect that the requirement is for forecasts to be submitted where the relevant entity has customers.
AEMO Ops	<p>3.2.2 Identifiers for linepack zones</p> <p>Item 3 Zone number on that pipeline. The zones are not defined in the East Coast Gas System Procedures. Additional clarification required on the zone number.</p>	The determination of a linepack zone is defined in the Procedures. AEMO has the ability to work with pipeline operators to have a different approach to determine linepack zones.
AEMO Ops, APA	4.1 & 4.6	AEMO received feedback that the preference of the majority of participants is to use the MTCO submission to meet the requirements of the Extended Daily

Submitter	Submission details	AEMO response
	<p>Section 4.1 and 4.6 references the Extended Daily Capacity Outlook being provided as part of the STCO or the MTCO data submissions. Our preference would be for it to be part of the MTCO submissions. The STCO is managed daily by the control room and the capacities are updated based on short term demand forecasts. The MTCO sits outside the control room and is managed by the maintenance coordination team who review longer term maintenance items.</p> <p>APA recommends streamlining changes and overall minimizing the number of reports provided across:</p> <ul style="list-style-type: none"> • Short term capacity outlooks • Extended daily capacity outlooks • Medium term capacity outlook and • Medium term capacity outlook recall times. 	<p>Capacity Outlook as it minimises the duplication of having both the MTCO and STCO submitted for the 6-month outlook.</p>
<p>Red Energy and Lumo Energy</p>	<p>4.21.1.</p> <p>The Example/ Allowed Values for Demand Zone ID only indicate a 4 character reference for the pipeline when 3, 4 and 5 character references exist in Appendix A.</p> <p>Proposed text:</p> <p>Demand Zone Id -</p> <p>Example/ Allowed Values 'WPP-DE-02', 'SESA-DE-01', 'APLNG-DE-01'</p>	<p>AEMO considers this change appropriate.</p>
<p>APA</p>	<p>4.6 Medium Term Capacity Outlook</p> <p>The submission cut-off time for the Medium Term Capacity Outlook report is currently 'ad hoc'. If AEMO is altering this to now be monthly to allow the recall times to be provided under Pt 27, this needs to be made clear as the Notes section still refers to it being an ad hoc submission.</p> <p>In addition, any submission cut-off time needs to be consistent for the MTCO and MTCO with recall time. The current drafting as two times being 7.00pm each Monday and last gas day of each month. For facility operators, it is significantly easier if this is consistent and included as the last gas day of each month as this can be easily automated.</p>	<p>AEMO considers these changes appropriate and have incorporated them into the Procedures and Guidelines.</p>
<p>AEMO Ops</p>	<p>4.6.1</p> <p>Section 4.6.1 references the Submission cut-off time as 7pm each Monday for outlooks commencing from the following Monday. Our MTCO submission is done manually and this will increase resourcing requirements when maintenance is unlikely to change weekly. Suggest updating frequency to monthly or if material change (also aligns with extended daily capacity outlook frequency).</p>	<p>The Rules require the MTCO to be submitted weekly.</p>
<p>AEMO Ops</p>	<p>4.6.2</p> <p>Section 4.6.2 Data Item, Recall Time accepts only Data type int. Add clarification on how no recall should be reported.</p>	<p>A clarification has been included in the BB Data Submission Guide.</p>

Submitter	Submission details	AEMO response
BB Procedures feedback		
APA	<p>Section 6.1(h) Nameplate Ratings</p> <p>APA proposes that any request by AEMO for additional nameplate ratings for a BB pipeline is consulted with the entity prior to the request to ensure the request is reasonable and can be accommodated within operational practices. A longer timeframe than 20 business days may be required where the change or additions requires IT changes to architecture of the reporting system. APA proposes AEMO insert the terms 20 business days or another time as agreed.</p>	This change has been incorporated in the BB Procedures.
AGL	<p>Section 6.3.3(c) Medium term capacity outlook for BB facilities</p> <p>For consistency with the submission cut off time in section 4.6.1 of the BB Data Submission Guide, suggest aligning the cut-off time given in the BB Procedures from 10:00 pm to 7:00 pm</p>	This change has been incorporated in the BB Procedures.

B.2 East Coast Gas System Procedures: Information Provision Obligations

Submitter	Submission details	AEMO response
APA	<p>Section 2.1.3 Reliability of gas supply – notifying AEMO</p> <p>Provisions of 2.1.3 are a direct duplication of existing reporting obligations being the Short Term Capacity Outlook, new Extended Daily Capacity Outlook and the existing Linepack Adequacy Flag (LCA Flag). All of these reports provide regular and updated information to AEMO on changes to the capacity and deliverability/ curtailment of BB facilities. These reporting obligations also include all data on material capacity impacts on these facilities, whether these have the potential of affecting reliability of gas supply or can be accommodated within the current 'demand' profile for the facilities' service.</p> <p>It is not reasonable to expect entities to also report manually via email of <i>an event or circumstance relating to the BB facility that affects, will affect or may affect the reliability of gas supply</i>. This is written broadly and therefore could be interpreted to include maintenance activities whether these are considered materially capacity impacting or not. For an operator such as APA that has many facilities throughout the East Coast of Australia, this is a significant administrative burden, could be easily missed as relying on a manual process exposing APA to non-compliances and is a duplication of existing automated data that is provided to AEMO.</p> <p>AEMO should rely on the existing reports provided as outline above and enquire with the facility operator to seek clarification.</p>	<p>The requirement for a manual update is to ensure AEMO is aware of a potential or actual risk or threat to the reliability or adequacy of the supply of natural gas within the east coast gas system.</p> <p>AEMO has updated the timing to align with the STCO period.</p> <p>AEMO requests feedback on the materiality threshold of notifications.</p>

Submitter	Submission details	AEMO response
Jemena	<p>Section 2.1.3 (a)</p> <p>This clause should also be clarified to exclude events which have already been reported to AEMO via the facility's Medium Term Capacity Outlook submissions, such as planned maintenance. This is to avoid unnecessary duplication of information and reduce the reporting burden on market participants. This would allow this reporting to be more focused on unforeseen and emergency events which materialize over the short term, and is appropriate given the manual nature of this reporting (i.e. via email).</p>	The Procedures have been updated to reflect this.
Jemena	<p>Section 2.1.3 (b)</p> <p>The period of time covered by this notification obligation should be changed from two weeks to one week, to align with BB facility operators' existing time horizons for considering potential equipment capacity constraints (i.e. the Short Term Capacity Outlook).</p>	The Procedures have been updated to reflect this.
Energy Australia	<p>Section 2.1.3 Reliability of gas supply – notifying AEMO</p> <p>EnergyAustralia do not have feedback on the proposed threshold values but note that 5 TJ/day or 10% of the facility's nameplate rating provide some indication of AEMO's risk tolerances.</p> <p>EnergyAustralia also understand that the NGR requirements focus on BB facilities, to the exclusion of large user and LNG processing facilities as well as other entities on the 'demand' side of the market which will be also important for AEMO to monitor.</p>	Noted.
APA	<p>Section 2.1.4 Pipeline Segments, linepack, linepack zones and demand zones</p> <p>2.1.4(a) <i>A pipeline segment</i> is not a defined term in Part 18 of the National Gas Rules (NGR). As such pipeline segment should not be used in these Pt 27 Procedures, as it will lead to confusion. APA recommends AEMO instead state relevant nameplate data utilized for Pt 27 be consistent with that provided under NGR 168 and BB Procedures 6.1 and not refer to pipeline segments when this is at a facility level.</p> <p>For 2.1.4 (c) APA proposes that the determination of linepack zones be undertaken in consultation with the reporting entity to ensure it is achievable from the linepack modelling and management that the prudent operator undertakes. If the zone(s) resulting from application of the criteria in 2.1.4(c) isn't related to how a facility operator models and manages linepack, the data generated will be irrelevant and misleading to AEMO, causing confusion between AEMO and the facility operator and not supporting an informed conversation about linepack when the critical time arises for AEMO to consider and rely on the data.</p> <p>APA proposes that AEMO replace 2.1.4 (c) (i) to (iv) with <i>determination of zones is based on the capacity modelling and linepack management of the facility and agreed with the facility operator.</i></p>	<p>Noted.</p> <p>Pipeline segments are defined in Part 27 by reference to the reporting in Part 18.</p> <p>The Procedures set out the default linepack zones, allowing AEMO to determine an alternative approach.</p>
APA, Jemena, APGA	<p>Section 2.1.5 Linepack types and measurement</p> <p>APA proposes AEMO specify that for 2.1.5 (iii, iv and v), this should only be updated when the bounds change and to be determined in good faith by the facility operator. Interpreting</p>	Where the bounds have not changed from one day to the next, the same value should be submitted. AEMO expects that changes to the bounds are

Submitter	Submission details	AEMO response
	this section 2.1.5 with 2.2.5, it could be implied that the facility operator must update the bounds daily which is not reasonable or operationally practical.	likely to be infrequent and influenced by external factors such as seasonality or due to changes in operation.
Jemena	<p>Section 2.1.5 Linepack types and measurement</p> <p>We note the proposed definitions of linepack types (iii) to (v) and the material which was presented by AEMO to the East Coast Gas Reform Working Group meeting on 28 Feb 23 regarding the potential for further refinement to the red/amber/green linepack boundary type definitions. As set out in the feedback Jemena provided to AEMO on 22 Feb 23, we agree that it would be desirable to further refine these definitions. We look forward to further discussion with AEMO on appropriate flow scenarios for use in calculating these boundary values, as well as on the setting of linepack zones for our assets.</p>	Noted.
Red Energy and Lumo Energy	<p>Section 2.2.1 Retailers and large user facilities – expected daily gas demand</p> <p>Red and Lumo recommend the ECGS Procedures be amended for consistency with (proposed) NGR 685 and the BB Data Submission Guide. (b) The expected daily gas demand and the proportions referred to in clause 2.2.1(d) and 2.2.1(e) must be in TJ/day.</p>	The Procedures have been updated to reflect this.
APA	<p>Section 2.2.1 (e) and (f) Expected Daily Gas Demand</p> <p>Under 2.2.1 (f) a gas transportation agreement (GTA), is not a gas supply agreement. All gas molecules have to be transported to the end user, but this is not an indication of the source of the gas. Gas transportation agreements should be removed from this clause 2.2.1 (f).</p> <p>APA proposes AEMO include a clear reference to entities providing this information as a good faith estimate. Despite best efforts and modelling, facility operators should only be held to good faith estimates of daily gas demand data due to the nature of facilities with multiple sources of energy generation and large mining end users.</p>	<p>Gas transportation agreements have been included to ensure all supply to meet gas demand is accounted for, e.g., where the demand is being met by drawing on a pipeline imbalance.</p> <p>The Rules require information to be submitted in accordance with the ECGS information standard.</p>
Energy Australia	<p>Section 2.2.1(d) Expected Daily Gas Demand</p> <p>By gathering information on the contracting positions of different entities AEMO will have some visibility of their financial risks. To the extent this provides insights into physical supply risk AEMO should specify how it will use and report this information in its Procedures.</p>	AEMO's assessments will consider supply and demand and whether the gas is being supplied from a market or directly from a participant's gas agreements.
Origin Energy	<p>Section 2.2.2 BB large users – medium term maintenance demand</p> <p>We note that BB Large User facilities will be required to provide details of maintenance work (for the next 24 months). We do not believe this obligation should apply to GPG as this would result in a duplication of reporting given generators already submit their availability to AEMO via the MT PASA process.</p> <p>If GPG is captured by the new maintenance reporting obligations, further clarity is required regarding how maintenance on interconnected facilities should be reported. For example, if a generator is connected to a single pipeline which has its own separate maintenance schedule, and this pipeline maintenance has an impact on the generator – how would AEMO expect this to be reported?</p>	<p>AEMO agrees that there may be benefit in aligning the MT PASA process with Part 27 obligations but this is not possible in the available time.</p> <p>With regards to interconnected facilities, the rules require details of maintenance work expected to be carried out on the BB large user facility or LNG processing facility. Interconnected facilities will have their own reporting obligations.</p> <p>AEMO has updated the Procedures such that the existing Medium Term Capacity Outlook submission will be used to meet this requirement.</p>
APA	<p>Section 2.2.2 Medium Term Maintenance Demand</p>	The Rules require this, including the anticipated impact on the expected daily gas demand.

Submitter	Submission details	AEMO response
	<p>APA proposes that AEMO provide clarity in this section that only gas demand impacting maintenance is reported on. For a facility such as Diamantina Power Station that has multiple sources of energy generation, maintenance more broadly may not impact on gas demand and this maintenance should not be covered by this provision.</p> <p>Good faith estimates must be the expectation of data provided for maintenance activities out to M+23 months. For power stations, major maintenance is planned with significant lead times, but final timing is determined by contractor availability and equipment operating hours. Operating hours are heavily influenced by the type of generation dispatched to meet customer demand. Detailed maintenance scheduling is not undertaken until closer to the event (such as 3-6 months prior to the outage/ capacity impacting event). It is not reasonable to expect facility operators to have specific estimates of maintenance when this hasn't been scheduled.</p> <p>For 2.2.2 (b) only 2.2.2 (b) (i), (ii) and (v) should be reportable by an entity. This is due to the fact that maintenance works estimates up to 24 months in advance will be based on best estimates and is unlikely to be specified down to the level of minimum and maximum. APA recommends 2.2.2 (b)(iii) and (iv) be removed.</p>	<p>AEMO has updated the Procedures such that the existing Medium Term Capacity Outlook submission will be used to meet this requirement.</p>
<p>APA</p>	<p>Section 2.2.4 Medium Term Capacity Outlook Recall Times</p> <p>APA recommends AEMO include facility operators to provide recall times based on good faith estimates. As outlined in APA's response to 2.2.2, detailed maintenance planning is not undertaken out to 24 months and as such estimates will be provided by the capacity impacts and recall times beyond the normal planning operations of a prudent operator.</p> <p>In addition, it should be recognized that facilities may not have any recall time during the maintenance until the maintenance is concluded.</p>	<p>The Rules require information to be submitted in accordance with the ECGS information standard.</p>
<p>Jemena</p>	<p>Section 2.2.4 Medium Term Capacity Outlook Recall Times</p> <p>Clause 2.2.4(c) should be amended to clarify that additional information about recall time limitations need only be provided where this is relevant, as for some maintenance events the number of hours listed in the 'recall time' field may be sufficient.</p>	<p>The Rules require information on whether the facility is capable of being recalled and the expected capacity. The description is being used to meet this obligation.</p>
<p>APGA</p>	<p>Section 2.1.5 Linepack types and measurement</p> <p>The approach of requiring the linepack boundary 'traffic light system' outlined in 2.1.5 in the proposed Procedures introduces the following general risks:</p> <ul style="list-style-type: none"> • Rapid deployment risk: Development of new data production capabilities is inconsistent with the Procedure compliance deadline; and • Ineffective unilateral decision risk: The many ways in which linepack data can misinform AEMO is inconsistent with AEMO's right to make unilateral directions without discussion with pipeline service providers. <p>APGA notes that the legislative requirement for AEMO to report on each supply adequacy event provides risk mitigation against repeated customer impacts due to the above risks. In the event that the above risks negatively impact customers, event reports will help to form the basis for AEMC rule change requests by the pipeline industry. Such requests could seek alignment of linepack data requirements with how pipeline service providers operate 3</p>	<p>Rapid deployment risk: noted.</p> <p>Ineffective unilateral decision risk: As required by the NGR, AEMO will consult with a <i>relevant entity</i> before giving a direction to the extent AEMO considers appropriate.</p>

Submitter	Submission details	AEMO response
	pipeline assets or seek to curtail AEMO right to make unilateral directions where these aspects negatively impact energy customers.	
APGA	<p>Renomination impact on linepack forecast updates</p> <p>Renominations that result in a material change to linepack forecasting are included in AEMO's data provision requirements – to be provided to AEMO 'as soon as practicable'. The reality of the industry is that different operators handle renominations differently, and for some, renominations are automatic and can occur anywhere between a dozen and a thousand times per day. Assuming an operator provides an update to AEMO on resulting changes in linepack forecasts as they happen, the frequency of these updates may negatively impact effective data utilisation and integrity, which could ultimately undermine the ability of AEMO to perform its market monitoring function.</p>	<p>Reporting updates as a result in changes to nominations is consistent with the reporting requirements for Part 18, where updates are required based on a materiality threshold.</p> <p>The materiality threshold for linepack forecasts is based on the beginning of day linepack forecast, and the Procedures have been updated to provide clarity on the materiality thresholds for the various linepack types.</p>

B.3 East Coast Gas System Procedures: Monitoring and signalling

Submitter	Submission details	AEMO response
APA	<p>Section 3.1.2 Publication of risk or threat notices</p> <p>As AEMO is obligated to maintain a register of relevant entities as outlined in 6.1 of the East Coast Gas System Procedures, threat notices from AEMO should be emailed and sent via SMS to contacts as provided for in this register, similar to the approach AEMO take in the DWGM with system wide notices. This is to ensure these threat notices are not inadvertently missed on the AEMO website. As with any action to a potential threat, it is most critical that potential threats are communicated as widely as possible as quickly as possible to ensure relevant entities have time to respond or consider appropriate measures to respond. Placing the threat notice only on a website could be easily missed by industry.</p>	The Procedures have been updated to reflect this.
EA	<p>Section 3.1, 3.2 and 3.3 Risk or threat notices, Direction notices, Trading notices</p> <p>The criteria for issuing risk and threat notices provide AEMO considerable flexibility and ideally would be subject to more specific quantitative thresholds or points of reference e.g. a reliability standard. It also seems anomalous that these criteria do not underpin Directions or Trading interventions whereas these would typically follow from the issuing of threat notices.</p> <p>More broadly AEMO should be accountable on how it has balanced risk mitigation versus the cost of intervention by being transparent on how it has determined the need to exercise its powers. Hence the publication of risk or threat, Direction and Trading notices should be accompanied by information that allows stakeholders to see how AEMO has justified its actions and also assist market participants in their responses. This would include how AEMO has considered the requirements of sections 91AF(2) and 91AD(2) that the Direction or Trading intervention is necessary, and the principles regarding distortionary impacts, safety and others set out in the rules. Directions notices issued under Clause 3.2 should describe how AEMO sought and accommodated information provided by the affected entities with which it must consult prior to issuing a direction.</p>	<p>AEMO understands that more specific quantitative thresholds may be developed in Stage 2 of the reforms, including the development of a reliability standard.</p> <p>These criteria do underpin AEMO's directions and trading functions.</p> <p>Additional transparency will be provided through AEMO's post-intervention reports.</p>

Submitter	Submission details	AEMO response
Jemena and APA	<p>Section 6.1: Part 27 Register</p> <p>This clause should be clarified to allow for relevant entities on the Part 27 register to provide generic names and contact details as the primary contact. This may better fit within businesses' existing processes (e.g. emergency management frameworks) by allowing for 24/7 contacts such as a control room shift team leader role (rather than any particular individual) to be designated as the primary contact.</p> <p>APA recommends that provision be made for more than one contact person. This is due to penalties accompanying non-compliance with these procedures is significant at Tier 1 or 2.</p> <p>6.1 (i), APA recommends that only the company name (i) and contact email address (iii) is published by AEMO. Can AEMO please advise where these details will be published such as the Gas Bulletin Board? APA recommends that positional mailboxes should be accepted as suitable email contact for this obligation to minimize non-compliance.</p>	<p>The Procedures have been updated to incorporate this change.</p> <p>APA's recommendation on the content to be published in the Part 27 register is consistent with the Procedure. The Part 27 register will be published on a new Part 27 section of AEMO's website. AEMO notes that positional mailboxes are suitable.</p>

B.4 East Coast Gas System Procedures: Direction

Submitter	Submission details	AEMO response
APA	<p>Section 3.2 Direction Notices</p> <p>Direction Notices must be emailed to the relevant contact persons on the Part 27 register. As non-compliance with direction notices is a tier 1 penalty, it is critical that relevant entities receive these direction notices directly and not leave this up to chance on a website where it could be easily missed.</p>	<p>The direction notice is the website publication which gives notice to industry after a direction has been given. Directions are given to individual relevant entities and will be issued to each relevant entity that is subject to a direction via the contact details provided to AEMO.</p>
AGL	<p>Section 3.2 Direction Notices</p> <p>The section on Direction notices does not state whether directed participants will be identified in a direction notice. AGL's preference is that parties are not identified given commercial sensitivities.</p>	<p>The Rules already specify that AEMO is not required to include commercially sensitive information, including details about relevant entities, in a direction or trading notice. AEMO will assess this at the time of publishing a notice.</p>
AGL	<p>Section 3.4 Non-compliance with a direction</p> <p>This section requires a relevant entity to notify AEMO and the AER within two business days, when it has not complied with a direction. AGL is unsure whether this will be practically possible in all circumstances, as the relevant entity may not have the necessary information within that timeframe.</p>	<p>This is specified in the Rules.</p>
APA	<p>Section 3.4 Non-compliance with a direction</p> <p>It isn't clear exactly what the difference is between 3.4 (a) and (b) and therefore why the communication channels are different. APA recommends simplifying this and requiring notices under 3.4 (a) to be sent to ECGS.notices@aemo.com.au and (b) to be sent to ECGS.notices@aemo.com.au and AERCompliance@aer.gov.au. This will minimize possible confusion in the email being sent to the incorrect location.</p>	<p>The Rules require relevant entities to immediately notify AEMO where they can not comply with a direction, and for a subsequent report to be provided to AEMO and the AER within two business days. The Procedures have been updated to specify that 3.4(a) is to immediately notify.</p>

Submitter	Submission details	AEMO response
APA, Jemena, EA	<p>Section 3.5 Post-Intervention Reports</p> <ul style="list-style-type: none"> AEMO should specify the content which must be included in each post intervention report in the ECGS Procedures. AEMO should consult with relevant entities directed when compiling the post-intervention reports to ensure that relevant entities have an opportunity to provide facts or perspectives on the application of the direction, outcomes and benefits of the direction to better inform governments and market participants. AEMO's reports to Ministers under NGL s 91AE should be made public alongside any post intervention reports, subject to the protection of any confidential information within these reports. 	<p>The Rules require AEMO to publish the post-intervention report in accordance with the Procedures, with the details as specified in the Rules.</p> <p>In most circumstances it is likely that AEMO will consult with relevant entities when preparing the post-intervention report.</p>

B.5 East Coast Gas System Procedures: Trading

Submitter	Submission details	AEMO response
APA, EA	<p>Section 5.1 Payments for Trading Fund</p> <p>AEMO needs to be clear in the ECGS Procedures which <i>relevant entities</i> are liable to make a contribution to the trading fund. Currently this is too broad and doesn't provide any details as to how these will be determined and only specifying that AEMO will publish a notice of these entities each year. Similar to other provisions in the East Coast Gas System Procedures where entities are limited to specific entities or exclusions are specified to provide clarity, this should be specified here also.</p> <p>The flexibility in determining contribution rates should accommodate different trading interventions and associated cost recoveries, including a possible services procurement model that relies on availability or standing payments plus activation payments.</p>	<p>The Procedures specify this in 5.1(c).</p>
AGL	<p>Section 3.3 Trading notices</p> <p>The section on Trading notices does not state whether parties to an AEMO trade will be identified in a trading notice. AGL's preference is that parties are not identified given commercial sensitivities.</p>	<p>The Rules already specify that AEMO is not required to include commercially sensitive information, including details about relevant entities, in a direction or trading notice. AEMO will assess this at the time of publishing a notice.</p>

B.6 East Coast Gas System Procedures: Conferences

Submitter	Submission details	AEMO response
EA	<p>Section 3.6.3(c) Disclosure of information obtained at conferences</p> <p>It may be beneficial to outline any similar exchange of information between AEMO and affected entities and the need for data validation in relation to threat, trading and directions notices. This clause seems to suggest it is a precursor to conferences only.</p>	<p>The Rule requirement is for AEMO to make Procedures in relation to the requirements relating to the disclosure of information provided or obtained at conferences. The Guidelines provide additional information on the processes AEMO intends to follow with regards to directions or trading.</p>

Submitter	Submission details	AEMO response
AGL	<p>Section 3.6.3 Disclosure of information obtained at conferences</p> <p>The draft procedures should be amended to have regard to competition law obligations. Further, subsection (d) is not drafted clearly and requires clarification.</p>	<p>The Rules specify that information obtained under Part 27 is protected from unauthorised use or disclosure.</p> <p>AEMO's conferences are subject to AEMO's competition law meeting protocol and the Rules specify that AEMO must invite the ACCC to conferences.</p>

B.7 East Coast Gas System Procedures: Compensation

Submitter	Submission details	AEMO response
APA	<p>Section 4.1 Notice of compensation claims</p> <p>APA recommends AEMO maintain a separate communication channel for Pt 27 compensation claims to minimize confusion on where this communication to be provided. This compensation is not related to Pt 18 Gas Bulletin Board provisions and therefore should be maintained separately.</p>	<p>AEMO's Gas Market Monitoring team are responsible for the bbo@aemo.com.au mailbox and are responsible for receiving compensation claims.</p>
AGL	<p>Section 4.1 Notice of compensation claims</p> <p>AGL's view is that this section incorrectly limits the parties who can seek compensation for direct costs associated with the deprivation of a natural gas service. Subsection (a)(iv) limits compensation to participants who have received a direction. This is inconsistent with the Information Paper published in February 2023, which provides the following (see Table 6, Item 6.1):</p> <p><i>“for a relevant entity deprived of a natural gas service in relation to which the relevant entity had a contractual or other legal right—the direct costs associated with the deprivation of that service, but only if the relevant entity remains liable for the payment of the direct costs under the relevant contract or otherwise by law.”</i></p> <p>The draft procedure should be amended to reflect that compensation is claimable by any party where deprivation has occurred as a result of a direction, whether or not the direction was issued to that party.</p>	<p>This feedback has been incorporated into the Procedures.</p>
EA	<p>Section 4.1 (iii) and (iv) Notice of compensation claims</p> <p>The 'provision' and 'deprivation' of services potentially encompass all situations that might give rise to direct costs however it seems clearer to simply state that claimants must present details of the direct costs associated with complying with a direction.</p>	<p>The drafting in the Procedures is consistent with the Rules.</p>
EA & APA	<p>Section 4.4 Payment of Claims</p> <p>The use of STTM and DWGM pricing for standing or benchmark rates seems suitable however there may be situations where these are distorted by market interventions during events over which compensation is claimed. This is potentially an issue in how and when AEMO engages in trading (and covered in its upcoming Trading Fund Guideline) in order to minimise market distortions.</p>	<p>An interim compensation framework for directions has been implemented to allow additional time to develop a long-term approach and undertake further stakeholder engagement. The AEMC will undertake a review of this process</p>

Submitter	Submission details	AEMO response
	<p>Given the complexities in establishing a fulsome causer or beneficiary pays framework, combined with the limited time allowed under the current consultation, we accept that a simple interim approach may be preferred. As noted in the CEPA report, there will be opportunities to change this approach including as part of a scheduled review under the NGR by the AEMC.</p> <p>APA notes that under 4.4(a)(ii)(B) Payment of Claim, AEMO is proposing that Large User Facilities could be called on to fund compensation payments. APA requests that AEMO considers the individual circumstances and criticality of some large user facilities.</p>	
APA	<p>Section 4.2 Standing Prices and benchmark rates</p> <p>APA suggests that where the claim relates to an existing transportation or storage contract that the relevant contract rates are applied in consideration of the claim, including additional charges that may have been incurred due to the direction. For instance, directions may require shippers to go outside of their contractual thresholds or transport gas on a within day firm or interruptible bases and incur higher charges as applied under their contractual rights.</p> <p>Where the direction relates to gas transportation or storage services where the gas was not moved based on an existing contractual right, APA supports utilizing under 4.2(a)(i) the new Part 10, specifically 101E Actual Prices Paid Information of the National Gas Rules for pipeline services and for 4.2(a)(iii) the new Part 18A, specifically 198E Actual prices paid information. Again APA suggests that an equivalent contract is adopted based on key elements such as pipeline, priority of service, tariff multipliers applied if transported on a short term within day firm or interruptible basis and equivalent receipt and delivery points.</p>	<p>This feedback appears to be consistent with the drafting in the Procedures. Section 4.2 needs to be read with the Rules. The Information Paper states that compensation will be determined by reference to market transactions or contract prices, with the benchmark rates set out in the Procedures only applying when these are not available (see item 6.2 in Table 6).</p>
APA	<p>Section 4.3 Determination and payment of compensation claims</p> <p>Under 4.3(c) APA proposes that the dispute resolution panel should only seek information from AEMO where it has contacted and could not obtain the information directly from the affected parties. In such circumstances, the information obtained from affected parties, AEMO or other sources should be provided to the claimant to enable the claimant to review, consider and advise on the relevance and validity of the additional information that is informing determination of the claim.</p>	<p>This feedback appears to be consistent with the drafting in the Procedures, which provide that the dispute resolution panel may seek information from AEMO when it has been unable to obtain it from other sources. In those circumstances it will be a matter for the dispute resolution panel to determine the basis on which that information is made available to the parties.</p>
EA	<p>Section 4.3 Determination and payment of compensation claims and 4.4 Payment of Claims</p> <p>The NGR and procedures provide for approximately 6 months from when costs are incurred to when claimants are paid. It may be worth clarifying that direct costs include cashflow timing impacts e.g. interest expenses, which could be significant depending on the size of the claim or the particular entity.</p>	<p>Interest expenses may be included in the claim by the relevant entity for determination by the dispute resolution panel.</p>