

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

<b>Issue Number</b>	STTM IIR 15-002 & BB IIR 15-002		
Proponent	Yvonne Tan	Date of submission	
Affected gas markets	Short Term Trading Market (STTM) Natural Gas Services Bulletin Board (GBB)	Consultation process (Ordinary or Expedited)	Ordinary
Industry consultative forums used	Via email to Gas Wholesale Consultative Forum (GWCF) and STTM-CF representatives	Date industry consultative forums consultation concluded	Sent via email on Wednesday, 21 July 2015
Short description of change	<p>The proposed change to the STTM Procedure is to:</p> <ul style="list-style-type: none"> <li>Add a new Custody Transfer Point (CTP) at EGP Wilton for Sydney hub</li> </ul> <p>The proposed change to the GBB Procedure is to:</p> <ul style="list-style-type: none"> <li>Update Sydney (SYD) Demand Zone description to include EGP Wilton CG.</li> <li>Wording change in Sydney (SYD) Demand Zone description to reflect the correct CGs and loads for SYD Demand Zone.</li> </ul>		
Procedures or documentation impacted	STTM Procedures version 10.1 Natural Gas Services Bulletin Board Procedures version 4.0		
Date I&IR published	4 August 2015	Date consultation under 135EE or 135EF concludes	1 September 2015
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**IMPACT & IMPLEMENTATION REPORT – DETAILED REPORT SECTION**

**ASSESSMENT OF PROPOSAL**

<p>Summary and rationale for the changes</p> <p>(see Attachment A for the full set of changes)</p>	<p><b>STTM - New custody transfer point (CTP) at the Sydney hub</b></p> <p>On 8 July 2015, Jemena Eastern Gas Pipeline advised AEMO of the status of its gas infrastructure development in NSW. The developments comprise of a new delivery point, known as EGP Wilton, and a new CTP at EGP Wilton that will connect to the Sydney network.</p> <p>AEMO is proposing to amend section 2.2 of the current STTM Procedures to include a new CTP to reflect these gas infrastructure developments. This will allow gas withdrawn or injected at that CTP to be traded in the STTM.</p> <p><b>GBB - Update Sydney (SYD) Demand Zone description</b></p> <p>AEMO is proposing to amend Sydney (SYD) Demand Zone description in the Schedule 2 - Demand and Production zones to include EGP Wilton CG to reflect these gas infrastructure developments. This will allow gas delivered through EGP Wilton CG to be captured in the Sydney (SYD) Demand Zone.</p> <p>AEMO is also proposing to fix the words in SYD Demand Zone description to accurately reflect the CGs and loads for SYD Demand Zone.</p>
<p>Cost estimate (and/or cost/benefit analysis)</p>	<p><b>New CTP at the Sydney STTM hub</b></p> <p>The benefit of adding a new CTP to the Sydney hub is that it will reflect the physical arrangements at the hub on completion of the EGP Wilton CTP, and allow gas withdrawn or injected at that CTP to be traded in the STTM. It is expected that the EGP Wilton CTP will increase security of supply and provide an additional competitive source of supply. It also provides the Eastern Gas Pipeline (EGP) with an additional delivery point that will enable Jemena EGP to transport the increased gas flows as a result of the capacity expansion on the EGP.</p> <p>AEMO is unaware of any material costs for the market resulting from this proposed change. However, if the change does not proceed then Jemena EGP would not be able to supply gas from the EGP Wilton CTP into the Sydney hub.</p> <p><b>Update Sydney (SYD) Demand Zone description for GBB</b></p> <p>The benefit of updating the GBB SYD Demand Zone description is that it will reflect the physical arrangement at the demand zone on completion of EGP Wilton CG and accurately reflect the correct CGs and loads for the SYD Demand Zone.</p>

<p>The likely implementation effect of the change(s) on stakeholders</p>	<p>The implementation effects of the proposal on AEMO are:</p> <ul style="list-style-type: none"> <li>• Configuration data changes are required to create the new CTP which will allow contracts to be registered, and bids and offers submitted.</li> <li>• Changes to the STTM Procedures are required.</li> <li>• Changes to the GBB Procedures are required.</li> </ul>
<p>Testing requirements</p>	<p>No testing by AEMO is required in relation to the changes.</p> <p>Affected participants will need to make their own assessment of any testing requirements.</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 National Gas Rules (NGR).</p> <p>Specifically, the addition of the new CTP in the STTM Procedures is required for gas to be supplied to a STTM hub in accordance with 91BRC of the NGL.</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><b>STTM - New CTP at the Sydney hub</b></p> <p>AEMO considers that the proposed procedure change is likely to contribute to the NGO because it will facilitate gas supply into the STTM from the EGP Wilton CTP. Additional and diverse supply sources can be expected to promote efficient use of natural gas services for reliable and secure supply to the Sydney network.</p> <p>While the new infrastructure enables greater access to, and diversity of, physical supply, creation of the CTP enables this supply to be effectively traded, transacted and represented via market processes, promoting greater competition and a more efficient market outcome.</p> <p><b>GBB - Update Sydney (SYD) Demand Zone description</b></p> <p>AEMO considers that the proposed procedure is 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>

Consultation forum outcomes	Both proposed changes were sent via email to Gas Wholesale Consultative Forum and STTM Consultative Forum representatives on 21 July. There were no dissenting views received for either proposal.
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<b>RECOMMENDATION(S)</b>	
Should the proposed Procedures be made, (with or without amendments)?	AEMO recommends that the proposed Procedure changes, as described in Attachment A, be made without amendments.
Proposed effective date for the proposed change(s)	<p>AEMO proposes an effective date of 30 September 2015.</p> <p>In accordance with rule 135EE(5) of the NGR, 15 business days prior to the effective date, AEMO will publish a notice specifying the exact date on which the proposed new procedures come into effect.</p> <p>Note that AEMO will publish a notice advising the market of the commissioning date of the EGP Wilton CTP, which is expected to occur sometime after 30 September 2015.</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

### STTM Procedures version 10.1

#### 2.2 Sydney Hub

For the purposes of rule 372(2) of the Rules, the following custody transfer points comprise the Sydney hub:

[...]

(g) custody transfer point 7: from the date identified in a notice published by AEMO, the EGP Wilton Custody Transfer Station from the STTM pipeline identified on the Natural Services Gas Bulletin Board as the Eastern Gas Pipeline with the PlantID of 520047.

### Natural Gas Services Bulletin Board Procedures version 4.0

#### Schedule 2 Demand Zones and Production Zones

a. Demand Zones

[...]

Demand Zone	Description	BB pipeline nominations, flows required
[...]	[...]	[...]
Sydney (SYD)	Demand supplied through the MSP at Wilton CG and the EGP at EGP Wilton CG, the EGP at Horsley Park CG, the EGP at Albion Park CG, and the EGP at <del>Wollongong CG including</del> Port Kembla CG. SYD Demand includes Wollongong loads and Newcastle loads. Includes BB production facilities that directly supply the Sydney demand zone. <b>Exclusions:</b> The Smithfield load can only be supplied from the EGP and, hence, is not in the Sydney 'Hub' zone.	MSP, EGP