

# IMPACT & IMPLEMENTATION REPORT (IIR) – STTM PROCEDURES – MALABAR CUSTODY TRANSFER POINT

<b>Impacted Jurisdiction(s)</b>	Victoria		
<b>Proponent</b>	Luke Stevens	<b>Company</b>	AEMO
<b>Affected Gas Market(s)</b>	DWGM	<b>Consultation process (Ordinary or Expedited)</b>	Expedited
<b>Industry Consultative forum(s) used</b>	GWCF	<b>Date Industry Consultative forum(s) consultation concluded</b>	Thursday, 8 December 2022
<b>Short Description of change(s)</b>	Implementation of the new Malabar production facility custody transfer point in section 2.2 of the STTM procedures.		
<b>Procedure(s) or Documentation impacted</b>	STTM Procedures		
<b>IIR Prepared By</b>	Luke Stevens	<b>Approved By</b>	Violette Mouchaileh
<b>Date IIR published</b>	17 November 2022	<b>Date Consultation under 135EE or 135EF concludes</b>	16 December 2022
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## IMPACT & IMPLEMENTATION REPORT – DETAILED REPORT SECTION

### CRITICAL EXAMINATION OF PROPOSAL

#### 1. DESCRIPTION OF ISSUE

Jemena<sup>1</sup> has requested AEMO implement a new Malabar Production Facility custody transfer point in the STTM procedures section 2.2 described as:

*Connection point 9: The connection point between the Jemena Malabar Facility and the Jemena Secondary Gas Network, being the Malabar Receipt Point.*

This Procedure change is to reflect the new custody transfer point for the new Jemena Malabar facility.

#### 2. REFERENCE DOCUMENTATION

- STTM Procedures

#### 3. OVERVIEW OF CHANGES

##### 3.1. Procedure Changes

The changes to the STTM Procedures include:

- An update to section 2.2 of the STTM procedures to reflect the new Jemena Malabar Production Facility, described as:
  - *Connection point 9: The connection point between the Jemena Malabar Facility and the Jemena Secondary Gas Network, being the Malabar Receipt Point.*
- AEMO considers that the proposal to amend the Procedures meets the requirement of NGR135EF(2) as the changes to the Procedures are non-material (i.e. unlikely to have a significant financial or operational impact on Registered participants or BB participants) being solely for the purpose of implementing a new custody transfer point.
- AEMO notes the Jemena, as operator of the Eastern Gas Pipeline, already acts as an STTM Facility Operator and an Allocation Agent in the STTM Sydney hub. Therefore Jemena Malabar facility should have no issues as it is operated in a similar role as a STTM Production Facility.
- An update of the STTM procedure to align it with AEMO's new Procedure template.

#### 4. LIKELY IMPLEMENTATION EFFECTS AND TESTING REQUIREMENTS

Updates to market systems:

- STTM market systems will have the new Malabar Production Facility implemented on the effective date for these Procedures.
- Jemena Malabar facility will be required to submit FHC and PAD files from the effective date.

#### 5. OVERALL COST AND BENEFITS

These changes are required to facilitate the operation of the Jemena Malabar facility as a production facility injecting gas into the Sydney distribution network which forms the STTM Sydney hub. AEMO will

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<sup>1</sup> Creation of STTM Custody Transfer Point Sydney STTM – Jemena Malabar Pipeline Facility, letter, 3 November 2022.



implement the new custody transfer point in market systems to begin operating from the effective date of this Procedure change.

## **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 NGR and to implement the new Malabar custody transfer point to inject gas from the effective date of this Procedure.

## **7. CONSULTATION FORUM OUTCOMES**

The Proposed Procedure Change is being undertaken through the expedited consultation process. AEMO emailed the draft proposal to amend the STTM Procedures to the GWCF distribution list on 7 November 2022.

## **IMPACT & IMPLEMENTATION REPORT – RECOMMENDATION(S)**

### **8. SHOULD THE PROPOSED PROCEDURES BE MADE?**

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

### **9. PROPOSED TIMELINES\***

Jemena sent AEMO a letter on 3 November 2022 proposing the new custody transfer point for Malabar.

- GWCF informed of proposed Procedure change: 7 November 2022
- IIR publication date: 17 November 2022
- IIR consultation submissions due: 8 December 2022
- Proposed Decision publication date: 16 December 2022
- Proposed Effective Date of Procedures: 12 January 2023