



Response template for the East Coast Gas System Procedures Consultation

Email responses to: gasreform@aemo.com.au;

Review comments submitted by: *APA*

Confidential: NO

Date: *14 March 2023*

Contact Person: *Beck Mason*

Please complete sections 1, 2 and 3 below.

Section 1 - General Comments on the Procedure changes

Topic	Please Provide Response Here
East Coast Gas System Procedures	
2.1.3 Reliability of gas supply – notifying AEMO	<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.</p>

	<p>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>2.1.4 Pipeline Segments, linepack, linepack zones and demand zones</p>	<p>2.1.4(a) A <i>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>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 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.</p>
<p>2.2.1 (e) and (f) Expected Daily Gas Demand</p>	<p>For large users such as the Diamantina Power Station, gas demand is managed by multiple parties, including Diamantina Power Station Pty Limited and end users. Diamantina Power Station Pty Limited is not in a position to report on the offtakers'</p>

	<p>source of gas supply and therefore this obligation needs to be removed where the large user is not a party to all related gas supply agreements. These fields in the report should be optional for third party facilities who have such arrangements and to ensure it doesn't fail the reports and lead to a non-compliance.</p> <p>In addition, 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. This is due to large user facilities such as Diamantina Power Station that has Gas Power Generation supplemented by renewable electricity supply sources; gas demand could vary on a day(s) depending on actual renewable energy generation, the type of generation being dispatched (e.g. open vs combined cycle) and customer demand. 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>
2.2.2 Medium Term Maintenance Demand	<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>Similar to 2.2.1 above, 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>Comments regarding the Capacity and recall time reports, streamlining these reports and answering AEMO’s question under section 4 of the PCC – East Coast Gas System Procedures, is provided in Section 2 below.</p>	<p>Please refer to section 2 below in addition to these comments.</p>
<p>2.2.3 Extended Daily Capacity Outlooks</p>	<p>This new report Extended Daily Capacity Outlooks is interpreted by APA as being an extension of the existing short term capacity outlook (STCO) for pipelines and compression. As AEMO is seeking daily capacity details per facility for each day of the 6 month period this is likely to be generate a significant number of lines of data for multiple facilities and potentially be in excess of AEMO’s data limitation requirements. This has the effect of failing facility operator’s reports (as occurs with STTM files) and facility operators then incur additional administration costs or non-compliance risk from the files failing. A more reasonable approach to how this data can be provided or through ‘block’ data similar to the Medium Term Capacity Outlook file should be pursued.</p> <p>2.2.3(c) it is not reasonable to seek facility operators to comment on <i>material factors that impact the capacity number or reliability of the capacity</i> for every day of the 6 month period. This should only be when a capacity impacting event occurs or is anticipated and the details of this capacity impacting event based on good faith estimates.</p>
<p>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>

2.2.5 Linepack Forecasts	APA recommends AEMO provide clarity in section 2.2.5 that the green, amber and red bounds may not change daily with each line pack forecast but will be updated as deemed appropriate by the reporting entity (eg such as based on seasonal demand or significant long term capacity impacting events).
2.2.6 Short Term Capacity Outlooks for Pipeline Segments	As per APA's comment in 2.1.4, pipeline segment is not a defined term in Pt 18 of the National Gas Rules. As such pipeline segment should not be used in these Pt 27 Procedures, as it will lead to confusion and potential disaggregation of data that is not applicable to how capacity of a pipeline is determined. APA recommends AEMO instead state the Short Term Capacity Outlook file as provided for under NGR 178.
3.1.2 Publication of risk or threat notices	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.
3.2 Direction Notices	Similar to 3.1.2 above, 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.
3.4 Non-compliance with a direction	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.
3.5 Post-Intervention Reports	APA recommends AEMO 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.

4.1 Notice of Compensation Claim	Similar to 3.4, 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.
4.2 Standing Prices and benchmark rates	<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>
4.3 Determination and payment of compensation claims	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.
4.4 Payment of Claims	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. For instance, the Diamantina Power Station plays a critical role as the energy provider to Mt Isa and Cloncurry townships and mines such as Mt Isa Mines. Lives could be placed in jeopardy and in underground mining operations if sufficient gas supply for generation is interrupted. These dependences need to be taken into consideration when AEMO

	<p>issues directions and also in the application of recouping compensation claim payments as continued gas usage at a facility such as Diamantina would be undertaken on a safety and critical electricity supply basis. In such circumstances, it is unreasonable to apply compensation payments.</p> <p>APA requests that AEMO engages with APA on the unique circumstances for Diamantina Power Station as a large user facility.</p>
5.1 Payments for Trading Fund	<p>AEMO needs to be clear in the East Coast Gas System Procedures which <i>relevant entities</i> are to be liable to make a contribution to the trading fund. Currently this is too broad in only referring to relevant entities, not providing 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>
6.1 Part 27 Register	<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 and it is critical that entities have multiple avenues to ensure they are updated with threat notices and directions.</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>
6.2.1 Nomination of reporting entity	<p>Similar to comments above, separate communication channels from the Gas Bulletin Board should be utilized for this Part 27 obligations.</p>
BB Procedures	
6.1(h) Nameplate Ratings	<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</p>

	changes to architecture of the reporting system. APA proposes AEMO insert the terms <i>20 business days or another time as agreed</i> .
BB Data Submission Guide	
General comments	Changes to the BB Data Submission guide reflect changes proposed under section 2 below.
4.6 Medium Term Capacity Outlook	<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 <i>Notes</i> section still refers to it being an adhoc 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 <i>7.00pm each Monday and last gas day of each month</i>. 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>

Section 2 – Specific AEMO questions

Topic	Please Provide Response Here
<p>AEMO seeks feedback from stakeholders as to whether there is a preference for using the existing Medium Term Capacity Outlook or Short Term Capacity Outlook or the extended daily capacity outlook as discussed in section 4 of the PPC.</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>The reason is the more reports are generated, the more risk of non-compliance from reports failing and data is duplicated adding to costs and inefficiencies for reporting entities.</p> <p>APA suggests that the Short term capacity outlook remains unchanged for gas day D-1 for gas days D to D+6 and includes the daily capacity for a facility (as per definitions and requirements under NGR 178 and BB Procedures 6.3.1). The short term capacity outlook obligation relates to BB facilities and therefore captures facilities broader than pipelines.</p> <p>APA suggests that the extended daily capacity outlooks, medium term capacity outlook and medium term capacity outlook recall times is combined. Reason being is that the basis of this information is similar and will duplicate data or lead to confusion if provided in multiple files. The data could be outlined in separate columns within the report and include:</p> <ol style="list-style-type: none"> 1. Default standing capacity unless a capacity impacting event is undertaken. 2. Capacity impacting events as currently reported in the existing Medium Term Capacity Outlook submission which allows for date ranges to satisfy the requirements of providing a capacity outlook for all days in the outlook period out to M+23.

3. Medium term capacity outlook recall times that correspond to the capacity impacting events outlined point 2 above.

AEMO is able from this file separate information as required under Pt 18 of the NGR to the Gas Bulletin Board and other information required for AEMO's assessments under Pt 27.

The report should cover the period from the end of the Short Term Capacity Outlook which is currently the case, out to 24 months. This information should be provided on a monthly basis on the last gas day of the month for any capacity impacting events occurring from M to M+23. Should material changes occur to the medium term outlook period, updates are required. However if a change is within the then current short term capacity outlook period, the reporting entity is not required to update the medium term capacity outlook as is currently the case within 6.3.3(f) of the BB Procedures.

This simplifies the reports, provides data that AEMO requires to satisfy its supply adequacy assessments, minimizes the reporting burden on reporting entities and reduces the amount of data that would be captured under a file that is reporting on daily capacity out 6 months. For APA and the extent of facilities reported under this file:

- the number of lines of data will be significantly large and this inhibits assurance checks within short timeframes if data is incorrect or AEMO's system fails the file;
- due to the number of lines may not accepted by AEMO's systems as occurs in the STTM reporting files, increasing the administrative burden and non-compliances on reporting entities due to employing work around to deal with this AEMO system limitation.

Section 3 - Feedback on the documentation changes in the Procedures

Participants are to complete the relevant columns below in order to record their response.

East Coast Gas System Procedures

Procedure Clause #	Issue / Comment	Proposed text Red strikeout means delete and <u>blue underline</u> means insert	AEMO Response (AEMO only)

East Coast Gas System Guidelines

Procedure Clause #	Issue / Comment	Proposed text Red strikeout means delete and <u>blue underline</u> means insert	AEMO Response (AEMO only)