



Response template for the East Coast Gas System Procedures Consultation

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

Review comments submitted by: *Jemena Limited*

Confidential: NO

Date: 14 March 2022

Contact Person: *James Harding, Gas Markets Regulation Manager*

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	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.
BB Procedures	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.
BB Data Submission Guide	

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>Jemena’s preference is to adopt the existing Short Term Capacity Outlook (STCO) submission, where a separate record would be reported for each day in the outlook period, as we believe this form of reporting will be simpler for participants to implement and for report users to understand.</p> <p>As previously mentioned in Jemena’s discussions with AEMO, we note that we would adopt the same approach to this extended daily capacity outlook as we do for the existing STCO submissions—that is, the capacity on each day will be equal to the nameplate capacity for that asset (as already reported on the BB) unless a maintenance event is impacting capacity on that day (as would also already be reported on the BB in the MTCO), in which case the reduced capacity value will be reported.</p>

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)
2.1.3	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).	(b) Clause 2.1.3(a) applies to any changes that are within the current gas day D to D+14 <u>D+7</u> .	
2.1.3	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).	<u>(b1) Clause 2.1.3(a) does not apply in respect of any changes which have already been communicated to AEMO through a BB reporting entity's Medium Term Capacity Outlook submission for the BB facility.</u>	
2.1.5	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.		
2.2.4	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.	(c) The BB reporting entity must, where relevant , provide additional information about limitations of recall times, including limitations on capacity that can be made available, by using the 'free text' field provided for in the transaction file.	
2.2.5	<p>Given the likely complexity of the calculations which will be required to underpin the linepack forecasting obligations, we wish to engage further with AEMO to consider alternatives to the proposed submission change requirement set out in 2.2.5(e). Overall, we note that AEMO has the power to request and compel pipeline operators to provide (or update) information through processes including the GSAR conferences (pursuant to clause 3.6.3(c)) or via its NGL s 91F information gathering powers, and that these methods may be more appropriate in emergency situations where AEMO believed it specifically required an intra-day update to linepack information in order to assess or respond to a threat.</p> <p>In relation to linepack types (i) and (ii), forecasts for subsequent gas days could be affected by shipper renominations or intra-day nominations for services (which can occur multiple times in a gas day for some of Jemena's pipelines) and changes in actual linepack throughout the gas day (i.e. after 6am). We are still assessing the potential data requirements and calculation methodologies which would be necessary for us to comply with these forecasting obligations, however our preliminary view is that these are likely to be complex and that intra-day update requirements may be particularly onerous. We would welcome the opportunity to discuss with AEMO how a more appropriately-targeted update requirement could be developed. It may be appropriate, for example, to only</p>		

	<p>require an intra-day update to this information in the event that the pipeline submits a 'reliability of gas supply' notification to AEMO (under clause 2.1.3).</p> <p>In relation to linepack types (iii) to (v), we note prior discussions with AEMO have indicated that these boundaries are expected to be 'static', and perhaps vary only on a seasonal basis for some pipelines. It would therefore not be appropriate to apply the current submission change requirement (e) to these linepack types. We consider an alternative change requirement which refers to updates being provided based on the BB reporting entity's reasonable expectation of seasonal flow patterns may be more appropriate for this purpose, however we would welcome further discussion on this with AEMO.</p>		
3.5	<p>While we welcome the inclusion of this post intervention report requirement, the ECGS Procedures should specify the content which must be included in each post intervention report, including descriptions of:</p> <ul style="list-style-type: none"> (a) The actual or potential threat which AEMO identified, and how AEMO identified this (b) The actions taken by AEMO to signal this threat to the market (c) The market responses called for, and whether any responses were proposed by participants (d) The directions issued and/or trades or purchases undertaken by AEMO (however consideration should be given to market participant confidentiality) (e) The basis on which AEMO formed the opinion that its directions, trades or purchases were necessary to prevent, reduce or mitigate the actual or potential threat (pursuant to the requirements of NGL s 91AF(2) and 91AD(2)) 		

	<p>(f) How AEMO had regard to the principles set out in the Rules¹ when deciding whether to exercise its directions or trading functions</p> <p>(g) How AEMO consulted with entities it directed, and how it determined the extent to which consultation would be appropriate given the nature, timing or circumstances of the risk or threat²</p> <p>(h) The result of these AEMO actions in addressing the identified threat</p> <p>(i) An assessment of the outcomes of the actions against the principles set out in the Rules³ which AEMO should have regard to when deciding whether to exercise its directions or trading functions</p> <p>(j) The expected financial costs to relevant entities of the AEMO actions.</p> <p>We also consider that 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>		
6.1	<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>		

¹ As described on pp. 7-8 (directions function) and p. 12 (trading function) of the Information Paper.

² Noting the requirements of the Rules described on p. 8 of the Information Paper.

³ As described on pp. 7-8 (directions function) and p. 12 (trading function) of the Information Paper.