



Proposed Procedure Change (PPC) – GSOO Procedures

Impacted jurisdiction(s)	All except Western Australia		
Proponent	Libby Chen	Company	AEMO
Proponent email	Libby.chen@aemo.com.au		
Affected Gas Market(s)	GSOO		
Date proposal published by AEMO	Thursday, 1 February 2024		
Short issue title	Implementation of the AEMC's Hydrogen review		
Procedure(s) or Documentation impacted	GSOO Procedures		
Other key contact information	GWCF_Correspondence@aemo.com.au		

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New South Wales | Queensland | South Australia | Victoria | Australian Capital Territory | Tasmania | Western Australia

Australian Energy Market Operator Ltd ABN 94 072 010 327

Proposed Procedure Change – Detailed Report Section

Critical Examination of Proposal

1. Description of issue

1.1. Background

In August 2021, Energy Ministers agreed that the national gas regulatory framework be reviewed and extended to accommodate hydrogen, biomethane and other renewable gases. This agreement meant that changes would need to be made to documents that underpin the framework so that they recognise and facilitate natural gas equivalents. This also meant that:

- (a) Jurisdictional officials would review the National Gas Law (NGL), National Energy Retail Law and National Energy Retail Regulations;
- (b) AEMC would review the arrangements in the National Gas Rules (NGR) which include a request to incorporate distribution connected facilities (DCF) into the Victorian declared wholesale gas market (DWGM); and
- (c) AEMO would review its market Procedures for the DWGM, Short Term Trading Market (STTM) and Retail Market (excluding Western Australia).

Those reviews concluded in September 2022 whereby AEMC and AEMO published final recommended changes to their respective regulator instruments.

[AEMO's final recommendation report](#) recognised that changes to the scope of the GSOO Procedures would be required to ensure that covered gases are appropriately captured. Section 3 of this PPC provides a summary of these proposed amendments.

In October 2022 the Energy Ministers agreed to amendments to extend the NGL and NERL to hydrogen and other renewable gases. AEMO is undertaking a consultation on the GSOO Procedures required as a result of the AEMC's [review into extending the regulatory frameworks to hydrogen and renewable gases](#) rule change.

AEMO is undertaking this Procedure consultation on the basis that the draft National Energy Laws Amendment (Other Gases) Bill 2022 and the AEMC's recommended Rules for extending the regulatory frameworks to hydrogen and renewable gases (including the recommended transitional rules) are made as published.

1.2. How to make a submission

Anyone wanting to make a submission for this first stage consultation stage (Proposed Procedure Change (PPC)) are requested to use the response template provided in Attachment B. Submissions are due **COB 29 February 2024** and should be emailed to GWCF_Correspondence@aemo.com.au.

2. Reference documentation

The GSOO Procedures, provided in Attachment A, are being consulted on as part of this Procedure change process.

3. Overview of changes

The marked up Procedure changes are provided in Attachment A of this document. AEMO has provided the PPC response template for participants to make their submissions in response to this consultation.

The GSOO Procedures amendments:

- (a) reflect the expanded scope of GSOO reporting entities in line with the hydrogen, biomethane and other renewable gases rule change;
- (b) clarify the steps involved to request an exemption from the GSOO survey;
- (c) remove the requirement for changes to survey templates and the GSOO timeline to be raised for discussion at a relevant industry forum. Instead, AEMO will inform GSOO reporting entities of changes to the GSOO timeline or survey templates via email and will publish changes on the AEMO website; and
- (d) improve the readability of the procedure.

AEMO considers the changes to the Procedure are consistent with the AEMC's recommended Rules for extending the regulatory frameworks to hydrogen and renewable gases.

3.1. Specific question regarding the definition of material change

Section 3.6.1 of the GSOO Procedures outlines the process to be followed by a *GSOO reporting entity* as soon as it becomes aware that there has been a material change to the information in its *GSOO survey response*. This requirement supports AEMO's obligation in rule 135KD of the NGR to publish a supplement to the GSOO if significant and verifiable new information relevant to the GSOO is brought to AEMO's attention.

Material change has not been defined in the GSOO Procedures. See question 1 for *GSOO reporting entities* below.

Question 1: What do participants consider to be a material change in the context of the GSOO Procedures?

4. Likely implementation requirements and effects

This Procedure change extends the coverage of the GSOO to include covered gas (e.g., hydrogen and biomethane) production facilities.

5. Impact of issue not proceeding

These changes are to be made on the basis that the draft National Energy Laws Amendment (Other Gases) Bill 2022 and the AEMC’s recommended Rules for extending the regulatory frameworks to hydrogen and renewable gases will be made as published. The consequence for not making the proposed changes will result in the GSOO Procedures to be misaligned with the new Law and Rules.

6. Overall cost, benefits and magnitude of the changes

AEMO considers that the AEMC’s [review into extending the regulatory frameworks to hydrogen and renewable gases](#) provides the assessment of cost and benefits of the rule changes.

7. Consistency with the National Gas Rules and National Gas Objective

Regarding these changes, AEMO’s preliminary assessment of the proposal’s consistency with the NGR and NGO is:

Requirement	AEMO’s Preliminary Assessment
Consistency with National Gas Law (NGL) and NGR	AEMO’s view is that the proposed procedure change is consistent with the NGL and NGR as amended in the AEMC’s rule changes.
National Gas Objective	It is AEMO’s view that the changes are expected to contribute to the achievement of the NGO by promoting 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: a. price, quality, safety, reliability and security of supply of natural gas; and b. the achievement of targets set by a participating jurisdiction – i. for reducing Australia’s greenhouse gas emissions; or ii. that are likely to contribute to reducing Australia’s greenhouse gas emissions.

If any participant believes that any of the above AEMO views are contentious, this feedback needs to be included in the Attachment B PPC response template.

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8. Supporting Documentation

The documents can be found in:

- Attachment A – GSOO Procedure changes
- Attachment B – PPC response

9. Proposed timelines

- PPC published: 1 February 2024
- PPC consultation submissions due: 29 February 2024
- Expected IIR publication date: 28 March 2024
- Expected IIR consultation submissions due: 14 May 2024
- Expected Decision published: 11 June 2024
- Effective Date of Procedures: 31 July 2024

Attachment A – GSOO Procedure changes

The GSOO Procedures are provided in tracked change format.

Attachment B – PPC Consultation Response

The PPC response template has been attached separately to this document. There are three sections in the template:

- Section 1 seeks general feedback on the Procedure changes
- Section 2 seeks feedback on a specific question relating to the definition of material change
- Section 3 seeks specific drafting proposals for the Procedure change.