

Frequently Asked Questions (Version 4)

While the Australian Energy Market Operator (AEMO) has taken all reasonable care in the preparation of this document, the information should not be construed as advice. The National Gas Law, the Rules and the BB Procedures prevail over this document to the extent of any inconsistency.

Question	Initial AEMO comments
<p>How does the Trading function interact with the government's \$12/GJ price cap (Competition and Consumer (Gas Market Emergency Price) Order)?</p>	<p>AEMO's trading function operates independently of the government's \$12/GJ price cap. The trading function is governed by amendments to the National Gas Law and National Gas Rules by the National Gas (South Australia) (East Coast Gas System) Act 2023 and the National Gas Amendment (East Coast Gas System) Rules 2023. AEMO's proposed approach to trading is outlined in the Trading Guideline (which form part of the East Coast Gas System Guidelines) and will operate in a transparent manner.</p>
<p>In an emergency, what is the process that AEMO will follow when there is an event that impacts on both the NEM and gas markets?</p>	<p>The East Coast Gas System (ECGS) regulatory amendments provide AEMO with the functions to identify actual or potential risks or threats to the reliability or adequacy of gas supply in advance of those risks and threats being realised, to communicate those risks to the market and to identify the industry response (if any) that AEMO considers necessary to prevent or mitigate the identified risk or threat. The amendments also allow AEMO to issue directions to relevant entities and to trade in gas and gas services if necessary to prevent, reduce or mitigate the identified risk or threat. As noted in the industry briefing, the ECGS escalation process is still being developed and has similarities to existing processes in the DWGM and STTM. It also draws from processes that were in place for the Gas Supply Guarantee mechanism.</p> <p>Where an actual or potential risk or threat to the adequacy or reliability of gas supply within the ECGS exists within the STTM or DWGM, the existing mechanisms (Contingency Gas, Intervention process) will continue to operate, and AEMO is still working through the details of how the various processes will work together.</p> <p>To the extent an event impacts on both the ECGS and the NEM, AEMO will stand up its internal emergency processes, which include informing Jurisdictions through both the National Electricity Market Emergency Management Forum (NEMEMF) and National Gas Emergency Response Advisory Committee (NGERAC). There is no predetermined outcome for such an event, given the particular circumstances of each event must be assessed based on the conditions at the time.</p> <p>More information on the emergency processes can be found here: https://aemo.com.au/energy-systems/electricity/emergency-management https://aemo.com.au/energy-systems/gas/emergency-management https://www.energy.gov.au/government-priorities/energy-security/energy-emergency-management-forums</p>

<p>Are BB pipelines captured under the BB facility reporting requirements?</p>	<p>Yes – disclosure obligations on BB facilities are inclusive of BB pipelines. Some of the disclosure obligations are specific to BB pipelines only. Further details are in the BB data submission guide and East Coast Gas System Procedures.</p>
<p>Does the 10 TJ/d reporting threshold apply to all Part 27 relevant entities?</p>	<p>No – the 10 TJ/d reporting threshold does not apply to Part 27 retailers (gas retailers who sell gas). The 10 TJ/d reporting threshold only applies to Gas Bulletin Board facilities.</p>
<p>What is a non-NGL retailer?</p>	<p>Rule 687 of the National Gas Rules (NGR) requires retailers that sell gas to provide demand forecasts to AEMO.</p> <p>As currently defined in the National Gas Law (NGL), this will capture a 'retailer' that holds a retailer authorisation issued under the National Energy Retail Law (NERL).</p> <p>Rule 683(4) of the National Gas Rules (NGR) provides for the purpose of disclosure obligations in Part 27, a reference to a retailer includes a non-NGL retailer within the meaning of the Procedures.</p> <p>A non-NGL retailer in the East Coast Gas System Procedures is defined as sellers of gas who operate in jurisdictions where the National Energy Retail Law does not apply or are otherwise exempt from licence requirements (i.e. Victoria, Tasmania, Power and Water Corporation in Northern Territory).</p> <p>BB large user facilities and LNG export projects are required to provide their own demand forecasts for any demand not supplied by a retailer. Otherwise, all demand forecasts are to be provided by gas retailers as covered by the broader definition of a Part 27 retailer. Facilities below the 10 TJ/day nameplate rating threshold are not required by Part 27 of the Rules to provide daily demand forecasts.</p> <p>AEMO notes that demand forecasts from facilities below the 10 TJ/day nameplate rating threshold may be informed through the use of a market information order.</p>
<p>AEMO has requested relevant entities to provide contact details and other information required to be included in the Part 27 register.</p> <p>Why are entities required to provide contact information for the Part 27 register when the same information is required when registering with AEMO?</p>	<p>Given the nature of AEMO's new East Coast Gas System powers and functions to mitigate risks or threats, issue notices, hold conferences and give directions, it is important that we have the most current contact details captured on the Part 27 register.</p>
<p>In the event of a direction, what is the priority of the gas that is being directed?</p>	<p>An AEMO direction will specify the priority of that direction as well as the other actions that may be necessary to ensure the effectiveness of the mitigation to the identified risk or threat that AEMO is seeking.</p>

In the event that a curtailment coincides with a direction, what would be the gas flow priority stack?

Are lateral pipes capable of bidirectional flows considered as demand zones when they are taking gas off the BB pipeline?

Demand Zones are solely comprised of GBB Business Rule "Demand" type connections (refer to table below for identification of "Demand" type connections).
 AEMO intends to capture bilateral flows between BB pipelines through the R183 reporting requirements, which should be captured as "Transfer In" or "Transfer Out" flow in accordance with GasBB Business Rules (Table below).

Facility type the GBB pipeline connection point is connected to	Connection Point Flow Direction	
	Delivery	Receipt
PROD	Subtract from Supply	Add to Supply
PIPE	Add to Transfer Out	Add to Transfer In
GPG	Add to Demand	N/A
GATESTATION	Add to Demand	Subtract from Demand
STOR	Add to Demand	Add to Supply
LARGE	Add to Demand	N/A
LNG	Add to Demand	N/A
NonBBpipeline	Add to Demand	Add to Supply
TRANSFERHEADER	Add to Transfer Out	Add to Transfer In
COMPRESSOR	Add to Transfer Out	Add to Transfer In
BBGPG	Add to Demand	N/A
BBLARGE	Add to Demand	N/A
LNGEXPORT	Add to Demand	N/A
LNGIMPORT	N/A	Add to Supply

Does contracted linepack include park and/or loan services?

AEMO intent is to identify the aggregate quantity of gas which is 'stored' under a commercial service which provides for firm withdrawal rights.

How will AEMO accommodate compensation claims that relate to activities in a market where revenue and/or cost items (e.g. ancillary) may not be known until months later.

For claims of this nature, if the relevant entity has a reasonable expectation that the financial detriment is likely to exceed \$5,000, it may make a claim for compensation. The dispute resolution panel will make a determination on:

- Whether it is appropriate for compensation to be paid to the claimant; and
- If the panel determines that it is appropriate for compensation to be paid, the amounts of compensation to be paid by AEMO to the claimant.

As noted in the East Coast Gas System Procedures, the dispute resolution panel is responsible for independently investigating, analysing and determining a compensation claim. The panel may seek information from affected parties, the AER and contractual parties such as pipeline operators and suppliers for the purpose of making a determination.

	The dispute resolution panel has the power to request the advisor to extend the period in which it is required to notify the claimant and AEMO of the compensation determination.
Does AEMO work out the volume of supply that is available to sell on the spot gas markets using the information received as part of these reforms?	AEMO does not undertake a formal exercise to calculate the volume of supply available to sell into the spot markets. AEMO's focus will be on the potential shortfall gap on the demand side in monitoring and assessing potential threats to supply reliability and adequacy. However, AEMO receives medium term supply indications from LNG export projects and linepack data from BB pipelines. The east coast gas system reform obligates LNG export projects to provide to AEMO for each calendar month and for the next 5 consecutive months, a forecast of the quantity of natural gas the project expects to supply to the east coast domestic gas market for consumption.
When should <i>relevant entities</i> submit exemption applications to AEMO?	Requests for exemption should be submitted as soon as possible. Exemption applications are to be emailed to gasreform@aemo.com.au prior to procedures go-live in June 2023 . AEMO will assess the exemption application based on information provided to us at the time and may grant an exemption where we consider it will not adversely affect the performance of our east coast gas system reliability and supply adequacy functions.
Who reports STTM customer demand? For example, a retailer sources and transports gas into the STTM with the customer receiving the gas into the hub via its own TRN. In this case, who is responsible for reporting demand and supply source allocation?	To the extent that the gas relates to a retail contract, the retailer must report the demand data. If delivered gas is being provided as part of a wholesale agreement, then the end-user would provide the forecast.
When submitting daily demand forecasts for the STTM and the DWGM, is there a requirement to separate them out into 2 separate files?	The daily demand forecasts for the STTM and DWGM can be done in the same file using the different demand zone identifiers.
In the provision of demand data, how would we reflect demand in relation to the GSH if we would never purchase from a supply hub?	Entities can enter a zero value for the GSH. Where the volume is zero, the location value shouldn't be mandatory, and a NULL entry is acceptable.
For non-GSA supply, what demand zone ID for the Sydney STTM and the Adelaide STTM should be used, given that two separate pipelines serve those hubs?	Participants in the Sydney and Adelaide gas hubs may not know which pipeline non-GSA supply is coming from, given that gas into the Sydney STTM can come from either the EGP or the MSP pipelines and gas into the Adelaide STTM can come from either the MAPS or the SEAGas pipelines. Where the source of non-GSA supply is unknown, participants may use either demand zones corresponding to the pipelines serving the STTM. For the Sydney STTM, either MSP-DE-05 or EGP-DE-08. For the Adelaide STTM, either SESA-DE-01, SESA-DE-02, or MAPS-DE-10.

When reporting expected daily gas demand, what should we report if we don't have supply contracts and use financial products to hedge our price?	When reporting the GSA value, the participant can report a zero value.
When reporting the domestic supply forecast, what should be reported if the responsible reporting entity is supplying to another LNG export project?	Rule 691(2) of the NGR notes that supply to the domestic market excludes supply to any other LNG export project.
What does 2.2.8 of the ECGS Procedures require a responsible reporting entity for an LNG export project to report?	A responsible reporting entity for an LNG export project must provide forecast quantities of gas that the project expects to export. Export quantities is all demand at the connection point, including the quantity of gas for feed gas requirements (such as fuel) required to produce LNG.
How do I update contact details for the Part 27 register?	Requests can be made to Support Hub to deactivate existing contacts or to add/update to either the ECGS Billing Contact(s) or ECGS Responsible Contact(s).
Where multiple participant ID's are used for the same retailer (i.e. same ABN), can one submission be made for the expected daily gas demand?	Yes
When submitting the medium term capacity outlook, the medium term maintenance demand or the extended daily capacity outlook, if there is no change in data and the most recent submission covers the period required, does a new medium term capacity outlook submission need to be submitted?	No - participants are required to submit each week and have processes in place to ensure data is kept up to date but to the extent there has been no change in data and the reporting obligations have been met by existing submissions, an updated submission is not required.
Are there any standing exemptions for Part 27 reporting obligations?	In accordance with 2.1.2(d) of the ECGS Procedures, AEMO intends to issue a standing exemption for BB reporting entities for BB large user facilities where that facility is a registered generator in the NEM. The exemption is with regards to the provision of details of maintenance information work as required under 688(3) of the National Gas Rules and clause 2.2.2 of the ECGS Procedures. AEMO will utilise existing information held within AEMO's systems including the NEM MT PASA submissions. The exemption will be subject to the condition that AEMO may request this information, and may specify the method for providing it, on an ad hoc basis when AEMO considers it is necessary to support AEMO's east coast gas system reliability and supply adequacy functions. This exemption will be formally communicated after the ECGS Procedures become effective on 1 June 2023.
When reporting the expected daily gas demand, where there are multiple participant IDs that go towards supplying the demand	No – supply to the specific demand zone should be reported against the 1 participant ID that was listed for demand reporting.

<p>forecast, do each of the participant IDs have to be listed?</p>	
<p>Can data be submitted for more than the outlook period that AEMO requires?</p>	<p>Yes, however we note that the obligation is on the submitted to ensure updates to the data are made if the material threshold is hit or if the outlook period is no longer up-to-date.</p>
<p>Is it necessary to submit individual expected daily gas demand reports for each <i>relevant entity</i> or is it possible to aggregate demand in each demand zone across 2 or more <i>relevant entities</i>.</p>	<p>It is possible to report aggregated expected daily gas demand figures across 2 or more <i>relevant entities</i> once an exemption is obtained. An exemption will allow AEMO to maintain traceability and confirm that <i>relevant entities</i> are compliant to the national gas rules. Per 2.1.2 of the east coast gas system procedures, an application for exemption must:</p> <ul style="list-style-type: none"> (i) include details of the exemption that the relevant entity is seeking and the reasons why the relevant entity considers an exemption is warranted; (ii) be signed by an authorised signatory of the applicant organisation; and (iii) be in writing and sent to AEMO via email to: ECGS.notices@aemo.com.au.