

Wholesale Market System Security Procedures (Victoria)

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Version:	2.0	
Effective date:	1 May 2024	
Status:	DRAFT	

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 30 / 10 / 2023

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Contents

Curre	Current version release details	
1.	Introduction	4
1.1.	Purpose	4
1.2.	Application	4
1.3.	Legal and regulatory framework	4
1.4.	Definitions and interpretation	4
1.5.	Related documents	6
1.6.	Technical documents	6
2.	Normal operating state	7
2.1.	Declared transmission system overview	7
3.	Threat to system security	14
3.1.	Notice of threat to system security	14
3.2.	Responses to a threat to system security	14
4.	Monitoring and assessment of threats to system security	16
4.1.	Linepack and distribution of linepack	16
4.2.	Withdrawal zones	16
4.3.	Weather forecast change	16
4.4.	Availability and locality of gas supply	17
4.5.	Storage facility capacity	17
4.6.	Gas-fired power generation	18
4.7.	Availability of gas supply and DTS assets	18
4.8.	Gas quality	18
4.9.	SCADA system availability	18
4.10.	Declared distribution systems	18
Versi	ion release history	19

Tables

Table 1	Defined terms	4
Table 2	Related wholesale market procedures	6
Table 3	Related technical documents	6
Table 4	An overview of the major DTS pipelines and withdrawal zones (WZ) 1	0

Figures

Figure 1	Physical representation of the DTS	8
Figure 2	Topological representation of the DTS	9



Current version release details

Versio	on Effective date	Summary of changes
2.0	1 May 2024	AEMO is making amendments to these <i>system security procedures</i> to account for the AEMC's "DWGM distribution connected facilities" and "Review into extending the regulatory frameworks to hydrogen and renewable gases" rule changes.

Note: There is a full version history at the end of this document.



1. Introduction

1.1. Purpose

These are the Wholesale Market System Security Procedures (Victoria) (Procedures) made in accordance with section 91BL of the National Gas Law (NGL) and Rrule 205 of the National Gas Rules (NGR).

The NGL and the NGR prevail over these Procedures to the extent of any inconsistency.

These Procedures may only be amended in accordance with Part 15B of the NGR.

1.2. Application

These Procedures apply to AEMO and each person to whom they are expressed to apply.

1.3. Legal and regulatory framework

These Procedures have been made under section 91BL of the National Gas Law and rule 205(1) of the NGR.

The system security procedures provide for the operation of the *declared transmission system* (DTS) in a way that averts or minimises threats to system security, as required by rule 205.

1.4. Definitions and interpretation

1.4.1. Glossary

Terms defined in the NGL and the NGR have the same meanings in these Procedures unless otherwise specified in this clause.

Terms defined in the NGL and NGR are intended to be identified in these Procedures by italicising them, but failure to italicise a defined term does not affect its meaning.

The words, phrases and abbreviations in the table below have the meanings set out opposite them when used in these Procedures.

Term	Definition
Autumn	The calendar months of March and April inclusive.
BoD	Beginning of <u>Day (gas day)</u>
CG	City Gate
CS	Compressor Station
CTM or Custody Transfer Meter	Custody Transfer Meters (CTMs) as defined in the Wholesale Market Metering Procedures, are the physical meters that allow for the transfer, delivery or receipt of gas within the Market and are listed in the DWGM Custody Transfer Meter report.
DDS	<i>declared distribution system</i> as defined in Part 19 of the Rules. [Note only declared distribution systems that are directly connected to the DTS are covered by Part 19]
DTS	Declared Transmission System

Table 1 Defined terms



Term	Definition	
DWGM	Declared Wholesale Gas Market	
EGP	Eastern Gas Pipeline	
<u>gas emergency</u> protocol	The requirements of the gas emergency protocol, as defined in the National Gas (Victoria) Act section 53, is comprised of the following documents: (a) Emergency Procedures (Gas); (b) Gas Load Curtailment and Gas Rationing and Recovery Guidelines; and (c) Gas Curtailment List (published on the MIBB). The gas emergency protocol can be found on the AEMO website at: https://aemo.com.au/energy-systems/gas/emergency-management/victorian-role	
<u>GPG</u>	gas-fired power generation	
Linepack	The amount of energy in the gas stored in the declared transmission system.	
linepack zone	A section of gas transmission pipeline which is defined by compressors, valves, regulators, market injection points and/or market withdrawal points in which linepack is located.	
<u>LMP</u>	Longford to Melbourne Pipeline	
LNG	Liquified natural gas	
NEM	National Electricity Market.	
NGL or Law	National Gas Law.	
NGR or Rules	National Gas Rules.	
Out of merit order gas	Gas injections that are scheduled above market price, or gas withdrawals that are scheduled below market price Bids scheduled by AEMO in the operating schedule at a bid price that is greater than the market price. Injection bids scheduled in this manner will be funded for by ancillary payments.	
PRS	Pressure Reduction Station.	
SCADA	Supervisory Control and Data Acquisition	
Schedule	An operating schedule	
Shoulder	The <u>calendar</u> months of <u>defined as Spring and AutumnOctober and November and the months of</u> March and April inclusive.	
Spring	The calendar months of October and November inclusive	
Summer	The calendar months of December to February inclusive.	
<u>SWP</u>	South West Pipeline	
<u>TGP</u>	Tasmanian Gas Pipeline	
<u>withdrawal zone or</u> <u>WZ</u>	A withdrawal zone that contains the CTMs in each region as defined in table 4 of this Procedure.	
t/h	Tonnes per hour (of LNG).	
VGPR	Victorian Gas Planning Report	
<u>VNI</u>	Victorian Northern Interconnect	
Winter	The <u>calendar</u> months of May to September inclusive.	
WORM	Western Outer Ring Main	
<u>WTS</u>	Western Transmission System	

1.4.2. Interpretation

The following principles of interpretation apply to these Procedures unless otherwise expressly indicated:

- (a) These Procedures are subject to the principles of interpretation set out in Schedule 2 of the National Gas Law.
- (b) References to time are references to Australian Eastern Standard Time.



(c) Market prices are determined to four decimal places and *gas* is *scheduled* in integer gigajoule terms to the whole gigajoule.

1.5. Related documents

The following documents support this Procedure.

Table 2 Related wholesale market procedures

Reference	Title	Location
Capacity Transfer and Auction Procedures	Capacity Transfer and Auction Procedures	https://www.aemo.com.au/energy- systems/gas/pipeline-capacity- trading-pct/procedures-policies- and-guides
Gas Emergency Protocol	Gas Emergency Protocol	https://www.aemo.com.au/energy- systems/gas/emergency- management/victorian-role
Connection Approval Procedures	Wholesale Market Connection Approval Procedures (Victoria)	
Gas Quality Procedures	Wholesale Market Gas Quality Monitoring Procedures (Victoria)	
Maintenance Planning Procedure	Wholesale Market Maintenance Planning Procedures (Victoria)	
Management Procedures	Wholesale Market Management Procedures (Victoria)	https://www.aemo.com.au/energy- systems/gas/declared-wholesale- gas-market-dwgm/procedures-
Market Operations Procedures	Wholesale Market Operations Procedures (Victoria)	policies-and-guides
Metering Procedures	Wholesale Market Metering Procedures (Victoria)	
Settlement Procedures	Wholesale Market Settlement Procedures (Victoria)	
System Security Procedures	Wholesale Market System Security Procedures (Victoria)	

1.6. Technical documents

The following technical documents support this Procedure.

Table 3 Related technical documents

Reference	Title	Location
Critical Locations Pressure	Wholesale Market Critical Locations Pressure	https://www.aemo.com.au/energy- systems/gas/pipeline-capacity- trading-pct/procedures-policies- and-guides



2. Normal operating state

AEMO aims to operate the DTS in a normal operating state, which is achieved when all of the following conditions are met:

- (a) the DTS is operating in accordance with the gas quality monitoring Guidelines procedures and breaches of the gas quality specifications as outlined in the Gas Quality Guidelines do not require intervention by AEMO;
- (b) in AEMO's reasonable opinion, there is no gas related threat to public safety-;
- (c) in AEMO's reasonable opinion, there is no threat to the supply of gas to customers; and
- (d) system pressures and *flow<u>rate</u>s* are within, and forecast to remain within (given the observed and anticipated rates of change), the operating limits specified in the Wholesale Market Critical Location Pressures. -Each of the following is an example of when this condition is met:
 - (i) sufficient assets within the DTS are available to provide the capacity to meet forecast *gas* supply and demand conditions;
 - (ii) sufficient information is available to assess the status of the DTS; and
 - (iii) the effects of unplanned events that affect the DTS can be controlled by operational responses, such as changing the operation of compressors, or changing regulator set pressures.

2.1. Declared transmission system overview

The DTS consists of a number of major pipelines and laterals supplying the <u>Melbourne</u> metropolitan and <u>Victorian</u> regional <u>WZ</u>zones. -Each of the major pipelines is characterised by its own dynamics in demand, flows, linepack and pressures as shown in Figure 1, and Figure 2 and Table 4. -AEMO will exercise operational control of the DTS in a way that ensures a secure state for each major pipeline that should result in security of the DTS as a whole.

<u>AEMO may publish periodic updates to the DTS map in the Victorian Gas Planning Report</u> (VGPR).





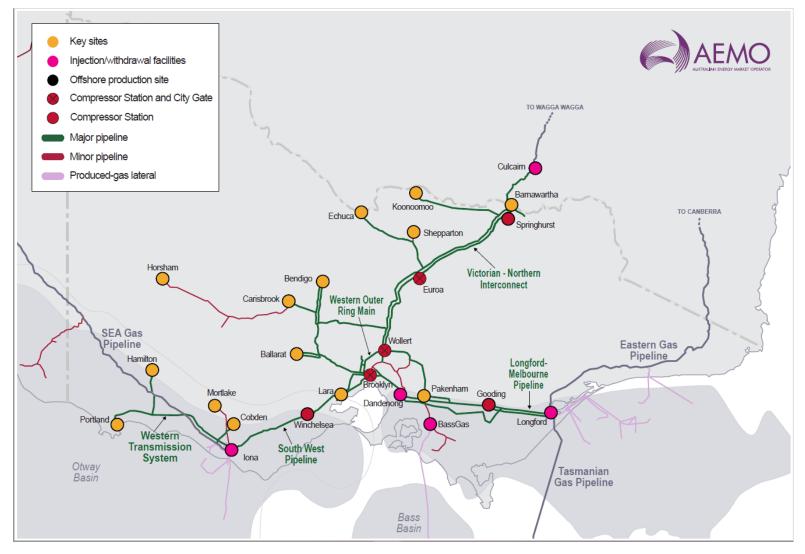




Figure 2 Topological representation of the DTS

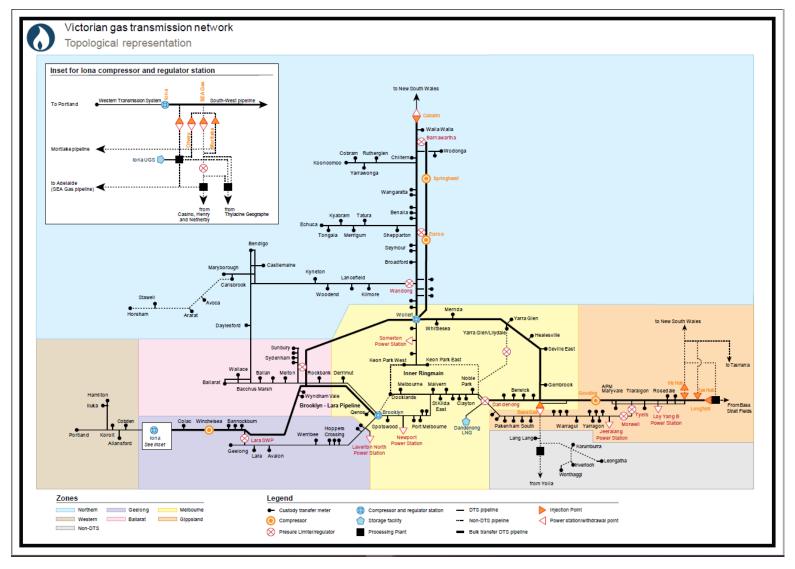
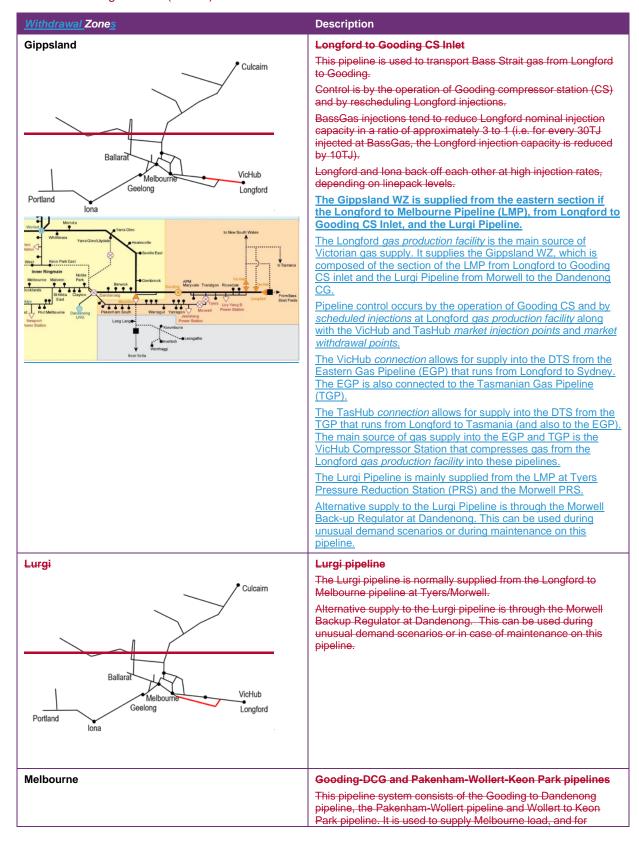


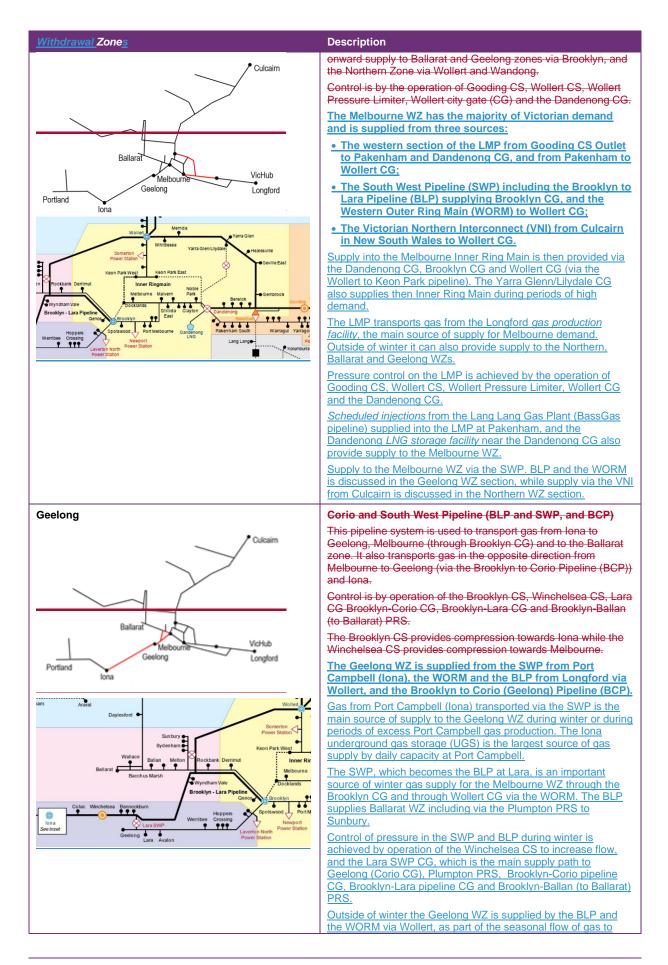


Table 4 An overview of the major system DTS pipelines and withdrawal zones (WZZones)

Note: information regarding major pipeline capacities may be found in the Victorian Gas Planning Review (VGPR).



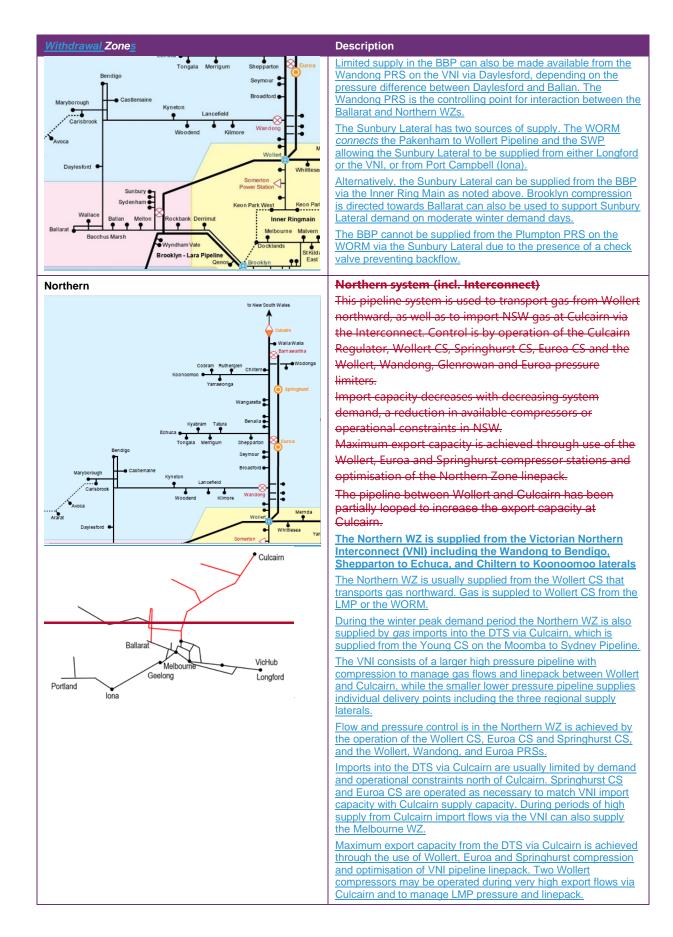






Withdrawal Zones	Description
	Port Campbell to refill Iona UGS ahead of the next winter. Compression at Wollert controls the pressure and flow to the Geelong WZ and to Port Campbell. Winchelsea CS can also be operated tin increase the flow to Port Campbell. The Geelong WZ can also be supplied via Brooklyn CS flowing into the BCP or the BLP. The Geelong WZ has market injection points and market withdrawal points connected to Iona UGS, the Port Campbell to Adelaide (PCA) or SEA Gas pipeline, Mortlake Power Station pipeline and the Otway Gas Plant.
Western Transmission System	The Western Transmission System (WTS) The WTS is supplied through the Iona CG or CS outlet. The WTS supplies Portland, Hamilton, Koroit, Warrnambool, Allansford, and Cobden. Primary control is by supply through the Iona CG outlet. Secondary control is by operation of Iona compressor. Compression at Iona may be required during withdrawals into storage. WTS load peaks in late winter/spring due to the
Ballarat	increased activity of the food processing plants in the region.
Portland Iona	The Western WZ is supplied by the Western Transmission System (WTS). The WTS is supplied through the Iona CG or Iona CS outlet. The WTS supplies Portland, Hamilton, Koroit, Warrnambool, Allansford, and Cobden.
Portiand Koroit Aliansford See Inset	Primary flow and pressure control for supply into the WTS is via the Iona CG outlet with the Iona UGS facility as the main source of supply during the winter peak demand period. Secondary flow and pressure control is by the operation of the Iona CS. Compression at Iona may be required during periods of high Iona UGS withdrawals if sufficient flow and pressure cannot be
	maintained by SWP flow via Wollert CS and the WORM / BLP with compression at Winchelsea CS (as required).
	WTS load peaks in late winter and spring due to the increased activity of the milk processing plants in the region.
	To simplify the DWGM scheduling processes the Western WZ is incorporated into the Geelong WZ in the MCE Network Topology.
Ballarat	Brooklyn-Ballan (Ballarat) and Sunbury branch pipelines
Culcairn	This pipeline system is used to transport gas from Brooklyn to the Ballarat zone. Control is by operation of the Brooklyn CS and Brooklyn Ballan pressure reduction station (PRS).
Ballarat	Ballarat zone loads are supplied mostly from Brooklyn and partially through Wandong, via Daylesford, depending on the pressure difference between Daylesford and Ballan. Wandong PRS is the controlling point for interaction between Ballarat and Northern zones.
Melbourne VicHub Geelong Longford	The Sunbury branch pipeline is supplied by one of two methods. Primarily, Sunbury is supplied from the South-West Pipeline
Portland lona	(SWP) via the Truganina to Plumpton pipeline and Plumpton PRS. Alternatively, Sunbury is supplied from the Brooklyn to Ballarat pipeline when pressure in the SWP is low and a Brooklyn compressor is operating towards Ballarat.
	The Ballarat pipeline cannot be supplied from the SWP via the
	Sunbury branch due to the presence of a check valve. The Ballarat WZ is supplied via the Brooklyn to Ballarat Pipeline (BBP) and the Sunbury Lateral.
	The BBP is used to transport gas from Brooklyn to the Ballarat CG. During the winter peak demand period supply to Ballarat CG is from the BLP via the BBP PRS at Brooklyn.
	During higher winter demand periods in Ballarat, sufficient supply flow and pressure control is achieved through the operation of a compressor at the Brooklyn CS.
	Outside of winter Ballarat WZ loads are supplied mostly from Brooklyn via the Inner Ring Main from Dandenong CG.







2.2.3. Threat to system security

A threat to system security may eventuate if a normal operating state (as defined in Chapter 3) cannot be maintained.

2.2.1.3.1. Notice of threat to system security

Under rule 341(1), if AEMO reasonably believes there is a threat to system security, it must provide Registered participants without delay details of that threat to system security, including AEMO's estimate of:

- (a) The nature and magnitude of the threat, including the likely duration of the threat and the likely shortfall in *gas* supplies likely to occur during that period;
- (b) Whether AEMO needs to intervene in the *market* to avert the threat and the time by which intervention will be required if the threat has not subsided; and
- (c) The <u>WZ</u>system withdrawal zones within the <u>DTS-Market</u> in which the threat to system security is likely to be located.

AEMO may issue a notice requiring Registered participants to provide estimates of the information specified in rule 341(2). This includes, but is not limited to:

- (a) whether the *Registered participant* may make additional injections or withdrawals of gas;
- (b) whether the *Registered participant* is in a position to inject non-firm *gas* into the <u>Market</u>declared transmission system; and
- (c) whether the *Registered participant* is in a position to inject *off-specification gas* into the <u>Market</u>system.

Additionally, AEMO may request whether the Registered participant is in a position to voluntarily reduce industrial load.

Under rule 341(5), AEMO must inform Registered participants immediately when it reasonably considers a threat to system security to be at an end.

2.3.3.2. Responses to a threat to system security

AEMO responds by implementing the following if a threat to system security is identified.

The **below** list <u>below</u> is presented in order of preference, however specific circumstances may require a different order based on outcomes of a risk assessment.

The gas scheduling procedures, include all of AEMO's potential market responses to a threat to system security.

1. Market response

AEMO may determine that a threat to system security will subside without intervention (i.e. a *market* response will alleviate the threat). Under rule 342, AEMO must provide details of the existence of the threat to system security to Registered participants and what actions they would be required to take or refrain from taking in order to prevent AEMO from intervening.



A *market* response to alleviate a threat to system security includes re-bidding to increase or decrease the amount of *gas* injected or withdrawn at <u>market</u> injection <u>points</u> or <u>market</u> withdrawal points within the DTS.

2. AEMO injecting out of merit order gas in the next operating schedule

AEMO may identify that a threat to system security can be alleviated through *scheduling* out of merit order gas (including from an *LNG* storage facility) in the operating schedule at the times specified in rule 215(3) as per rule 343(1).

3. Publishing ad-hoc operating schedules

AEMO may alleviate a threat to system security by publishing ad hoc <u>operating</u> schedules at times other than the times specified in rule 215(3), under rule 215(4). These ad hoc operating schedules may require the scheduling of out of merit order gas (including from an LNG storage facility).

4. Directing participants to inject or withdraw gas

Should it be available, AEMO may direct participants to inject or withdraw off specification gas, non-firm gas, or gas that has not been bid into the market under rule 343(1) and section 91BC of the NGL. Gas accepted under rule 289(5)(b)(i) is not considered a direction.

5. Curtailment

AEMO may, under section 91BC of the NGL and rule 343, enact *curtailment* in accordance with the emergency curtailment list and the Gas Load Curtailment, Gas Recovery and Rationing Guidelines gas emergency protocol where the threat to system security cannot be alleviated through other means.

Note: Options 3-5 are interventions under the NGRRules.



2.4.4. Monitoring and assessment of threats to system security by AEMO

AEMO monitors the following operational factors for the purposes of identifying any material deviation from plans or forecasts that may cause a potential threat to *system security*:

- (a) system pressures,
- (b) gas flows,
- (c) forecast and actual supply/demand balance,
- (d) System withdrawal zones (WZs); and

(d)(e) linepack zonalzones linepack.

From these indicators, AEMO determines whether the DTS is trending towards a threat to system security. If it does, an operational strategy to avert or manage the threat will be developed based on the results of computer simulations and operational experience.

The following are key areas monitored by AEMO to <u>ensure maintain</u> system security with descriptions of contributing factors.

<u>2.5.4.1.</u> Linepack and distribution of linepack

A large discrepancy between actual and expected linepack, or a large discrepancy in linepack distribution increases the risk of breaching pressure obligations. -System security is more reliant on linepack and linepack distribution variability on high demand days and when <u>gas-fired power</u> <u>generationgeneration (GPG)</u> is operating.

A key operational objective is to achieve suitable starting conditions at the beginning of day (BoD), that is, BoD linepack that is adequate to meet the forecast level of demand taking into account the expected demand profile for that day. Linepack distribution is managed intra-day through the operation of compressors and changing regulator set<u>tings-points</u> as required.

The linepack zones within the DTS include the Gippsland, Melbourne, Geelong, Ballarat and Northern zones, and broadly align to the WZs described in Table 4.

4.2. Withdrawal zones

<u>AEMO manages threats to system security by WZ which are described in Table 4 and include</u> the Gippsland, Melbourne, Geelong, Ballarat and Northern WZs.

These WZs represent the aggregation of custody transfer meters (CTMs) at which gas is withdrawn from the *Market* in each WZ or region.

4.3. Weather forecast change

Unexpected cold weather results in an increase in demand on the DTS and a greater depletion of linepack throughout the day, which means that the risk of a breach of minimum system pressure is materially increased. The risk for of a threat to system security eventuating is exacerbated even higher if the BoD linepack is below target. Note that the linepack target varies seasonally.



Unexpected warm weather <u>may</u> results in linepack being above target.- <u>For example</u>, Longford pipeline capacity is particularly sensitive to increased linepack and can impact on secure supply from the Longford <u>Gas production facilityPlant</u>. Therefore, linepack requires management through the use of the Gooding <u>CScompressors station</u> and <u>overnight re</u>scheduling <u>at the next</u> <u>scheduling horizon for the gas day</u>.

The risks posed by weather forecast changes are <u>reduced</u><u>minimised</u> by <u>rescheduling the</u> <u>marketgas</u> five times a day and <u>frequently</u> monitoring <u>for</u> changes in weather. Any potential adverse <u>scheduling</u> outcomes are managed to the <u>greatest</u> extent possible by <u>rescheduling</u> <u>operating</u> compressors to move linepack as appropriate.

AEMO may employ *demand forecast overrides* in <u>operating</u> schedules if *demand forecasts* by Market Participants do not adequately account for <u>forecast</u> weather <u>conditions</u>forecast changes.

<u>2.6.4.4.</u> Availability and locality of gas supply

Aggregate *gas* supplies offered to the *Market* on each *gas day* from the system-<u>market</u> injection points may vary from day to day. -Supply is dependent on the capacity of the DTS to transport *gas*, given the operating conditions on the day.

Supply problems, such as when a <u>gas production facility</u><u>Producer</u><u>or</u><u>S</u><u>s</u>torage <u>facility</u><u>Provider</u><u>or blend processing facility</u> has not been able to meet <u>operating</u> <u>scheduled</u> injection <u>flow</u> <u>rates</u>, particularly in the first half of the <u>gas day</u>, can pose material risks to <u>system</u> <u>security</u> and require rapid operational response(s), <u>including</u> <u>such as</u> <u>publishing</u> an ad-<u>_</u>hoc <u>operating</u> <u>schedule</u>, <u>which may</u> require<u>ing</u> <u>injection</u> from an <u>LNG storage facility</u><u>liquefied natural gas (LNG)</u> <u>injection</u> or <u>load</u>-curtailment.

Less critical issues created by supply restrictions can be managed intra-day through rescheduling gas at each <u>scheduling trading-horizon</u>intervals for the <u>remainder of the gas day</u>.

4.5. Storage facility capacity

2.6.1.4.5.1. Storage facility capacity utilisation

AEMO monitors the storage facility capacity utilisation of each storage facility to reduce the risk of there being insufficient gas supply available at the start of, and during, the winter period. If storage facility capacity utilisation is low, or there is a rapid decrease in gas held in storage, this may lead to the insufficient supply of gas during the winter period to meet peak day demand. This would result in AEMO informing *Registered participants* of a threat to system security for the winter period.

4.5.2. Dandenong LNG Plant storage facility Capacity capacity

The firm <u>Dandenong</u> *LNG* <u>storage facility</u> injection <u>flow</u> rate is 100 t/h.- The maximum non-firm <u>flow</u> rate of 180 t/h can be sustained for a limited period but uses all redundant capacity in the <u>Dandenong</u> *LNG* <u>storage facility</u> <u>plant</u>.

AEMO monitors the <u>Dandenong</u> LNG <u>storage facility</u> plant capacity because a loss of <u>Dandenong</u> LNG <u>storage facility</u> injection capacity during high demand periods increases the risk of <u>load</u>-curtailment.



2.7.<u>4.6.</u> <u>Gas-fired power generation</u>

Depending on system demand and operating conditions on the day, planned or unplanned GPG-gas-fired power generation operation can rapidly deplete linepack and pose a threat to *system security*. This is because the potential maximum hourly quantity (MHQ) of GPG the-gas-fired power generators can be very high relative to the hourly demand from all other industrial and commercial *gas customers*. Operational readiness is maintained by frequent monitoring of the National Electricity Market (NEM) reserve levels and the NEM spot price for Victoria, both of which may trigger gas-fired power generator operation.

The VGPR includes information on the capacity of the DTS to support <u>gas-fired power</u> <u>generation</u>.

4.7. Availability of gas supply and DTS assets

A weekly and daily review of planned (i.e. maintenance) outages of <u>gas production facilities</u>, <u>storage facilities</u>, <u>blend processing facilities</u>, compressors, regulators and other key DTS assets is required to assess any material impact on capacity and potential risk to system security, and to formulate AEMO's response. AEMO conducts maintenance planning <u>and coordination</u> conducted in accordance with the *maintenance planning procedures* and <u>rule_NGR-326_of the NGR</u>.

4.8. Gas quality

Gas injected at all <u>market</u> injection points must comply with the gas quality monitoring <u>*Guidelinesprocedures*</u>. If <u>gas is out</u> off-specification <u>gas</u> injections occur, actions may be required as specified in the gas quality monitoring <u>*Guidelinesprocedure*</u> or the <u>NGRRules</u>.

4.9. SCADA system availability

The availability of the SCADA system that AEMO uses to monitor and operate the DTS is critical to maintaining system security. The probability of SCADA system unavailability is minimised by having appropriate redundancy in both the SCADA system and the communications to critical DTS assets.

4.10. Declared distribution systems

The declared distribution systems (DDS) are operated by the Distributors. The DTS supplies gas to the DDS. Therefore, a threat to system security in the DTS may cause a gas supply issue for the DDS that results in a threat to system security in the DDS. However, a threat to system security in the DDS are managed by the Distributor.

<u>AEMO's emergency powers are covered under the *gas emergency protocol* and apply to the <u>DDS.</u></u>



Version release history

Version	Effective date	Summary of changes
1.1	16 December 2015	Update to reflect changes to the DTS. Clarifications made around normal operating state and threats to system security. General improvements to clarity. Removal of critical location pressures as a separate document has been created to cover this.
1.0	1 July 2010	Rebranded and updated to reflect the transition of the MSOR to the NGR
MSOR 9	24 March 2009	Last version under the Victorian Market and System Operating Rules (MSOR)