

Gas Load Curtailment and Gas Rationing and Recovery Guidelines

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1. Introduction

1.1. Purpose and scope

These are the Gas Load Curtailment and Gas Rationing and Recovery Guidelines (**Guidelines**) and are a component of the Gas Emergency Protocol (**Protocol**) made by AEMO under section 53 of the National Gas (Victoria) Act 2008.

The Protocol consists of three component parts:

1. Emergency Procedures (Gas);
2. these Gas Load Curtailment and Gas Rationing and Recovery Guidelines; and
3. Gas Curtailment List.

The Guidelines provide detail of the priorities, principles, considerations, measures and processes that will be applied in curtailment, rationing and recovery.

These Guidelines apply to *declared transmissions systems* and *declared distribution systems* (**Declared system**) for the purpose of maintaining and improving the reliability of supply, system security and/or public safety.

The Guidelines have been made by AEMO with regard to the economic and social needs of the Victorian community and in consultation with the Minister, Energy Safe Victoria (**ESV**) and *Registered participants*. They include any written direction given to AEMO by the Minister in relation to the making, administration and operation of the Guidelines.

1.2. Definitions and interpretation

1.2.1. Glossary

Terms defined in the National Gas Law (NGL) and the National Gas Rules (NGR) have the same meanings in this Guidelines unless otherwise specified in this clause.

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

In addition, the words, phrases and abbreviations in the table below have the meanings set out opposite them when used in these Guidelines.

Term	Definition
Critical service	customer identified to be a critical service
customer	a person to whom gas is sold
Declared system	A transmission pipeline, distribution pipeline, part of a distribution or transmission pipeline, situated wholly or partly in Victoria that is declared by the Minister by Order published in the Victorian Government Gazette.
Essential service	customer identified to be an essential service
gas Life Support Register	customer registered as requiring gas life support equipment.
Market	the Victorian Declared Wholesale Gas Market
system security	refer to the Wholesale Market System Security Procedures (Victoria)
Tariff D	Large commercial and industrial customers with an annual consumption exceeding 10 terajoules (TJ). The supply point of these customers is metered via an Interval Meter (refer to AEMO Retail Market Procedures (Victoria)).

Term	Definition
Tariff V	Residential, and small to medium sized commercial customers with an annual consumption of less than 10 TJ. The supply point of these customers is metered via a Basic Meter (refer to AEMO Retail Market Procedures (Victoria)).

1.2.2. Interpretation

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

- (a) These Guidelines are subject to the principles of interpretation set out in Schedule 2 of the National Gas Law.

1.3. Related documents

Reference	Title	Location
N/A	Emergency Procedures (Gas)	https://aemo.com.au/energy-systems/gas/emergency-management/victorian-role
306195	Wholesale System Security Procedure	https://aemo.com.au/-/media/files/gas/emergency_management/victorian/aemo-wholesale-market-system-security-procedures-ngr-11.pdf
N/A	Single Industry Spokesperson Protocol	https://aemo.com.au/-/media/files/gas/emergency_management/aemo-single-industry-spokesperson-protocol-vic-gas.pdf
306195	Retail Market Procedures (Victoria)	https://aemo.com.au/-/media/files/gas/retail_markets_and_metering/market-procedures/vic/2021/retail-market-procedures-victoria-version-160-clean.pdf?la=en

1.4. Legislation and regulation

Legislation and regulation relevant to curtailment, rationing and recovery is listed in **Error! Reference source not found.**

1.5. Powers of direction

Body	Reference
AEMO	National Gas Law National Gas Rules
ESV	Gas Safety Act 1997
Victorian Government	Gas Industry Act 2001
Distributor(s)	Gas Industry Act 2001 Gas Distribution Code

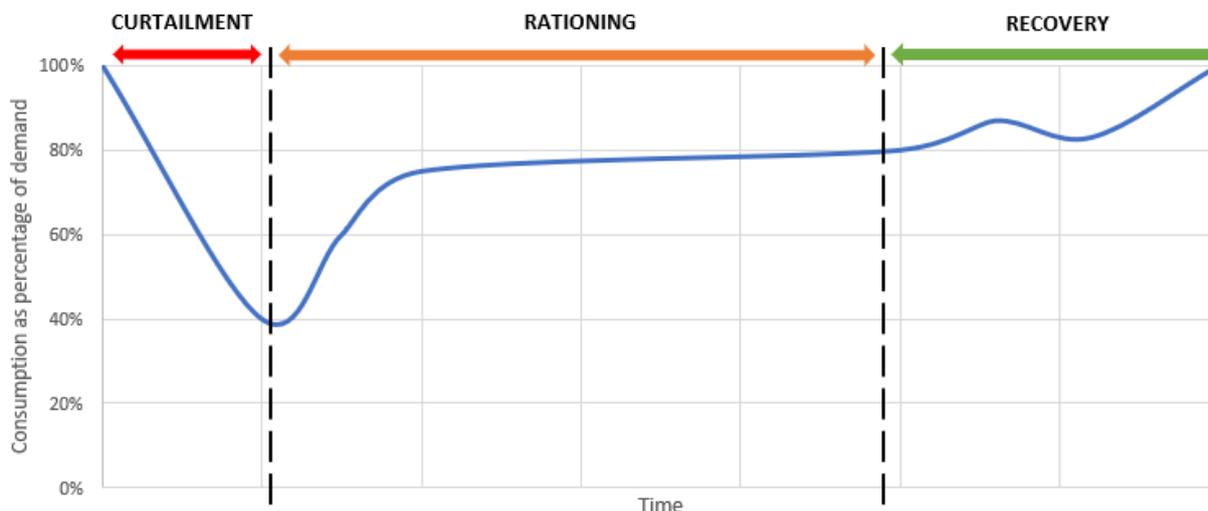
2. Curtailment, rationing and recovery

Curtailment, Rationing and Recovery may be described as:

1. **Curtailment:** rapid and controlled reduction in customer load.
2. **Rationing:** allocation of insufficient gas supply to customers.
3. **Recovery:** restoration of supply to customers and normal Market function.

An example of the impact on aggregate customer consumption from curtailment, rationing and recovery processes is illustrated in Figure 1.

Figure 1 Representational curtailment, rationing and recovery response



2.1. Priorities and principles

The following priorities and principles are to be used to guide implementation of curtailment, rationing and recovery.

Priorities are underpinned by the State Emergency Management Priorities and are sequenced as follows:

1. Protection and preservation of life and relief of suffering. This includes:
 - safety of emergency response personnel; and
 - safety of community members including visitors and tourists, with specific consideration to the needs of vulnerable members.
2. Issuing of community information and community warnings detailing incident information that is timely, relevant and tailored to assist community members make informed decisions about their safety.
3. Protection of the environment and individual and community financial sustainability. This includes:
 - protection of assets supporting individual livelihoods and economic production that supports individual and community financial sustainability.
 - protection of environmental and conservation assets that considers the cultural, biodiversity and social values of the environment .
4. Protection of residential property as a place of primary residence.

These priorities will be best achieved through application of the following principles:

- Gas system security must first be maintained to support the priorities of curtailment, rationing and recovery. This will be achieved through:
 - making safe the gas transmission system and distribution networks.
 - maintaining a minimum operating pressure in the gas transmission pipelines and networks required to keep the gas system safe.

Failure to maintain the safety and security of the gas system in the first instance will compromise the ability to deliver against all priorities and will expose the Victorian community to greater risk. A breach of gas system security may require weeks of recovery works to enable the re-commencement of supply to customers.

- Curtailment, rationing and recovery measures are to be taken as a last resort after due consideration of alternate sources of gas supply and are limited to that extent required to maintain and improve the reliability of supply or the security of a Declared system or public safety.
- The scope, extent and duration of any measures taken will be confined to minimise the impact of the event or *emergency* on the Victorian community.
- A minimum level of gas consumption may be permitted on the grounds of safety, health, environmental or financial sustainability risks.
- Consideration will be given to the broader context of any gas supply disruption to minimise cross impacts upon other essential services (e.g. gas-fire powered generation on high demand days of extreme heat for electricity).
- Curtailment, rationing and recovery measures will apply, as requested or directed, to customers of a *Declared Distribution System (DDS)*, regardless of whether the DDS is connected to a *Declared Transmission System (DTS)* via a *transfer point* or not.

3. Curtailment, rationing and recovery measures

AEMO will estimate the response required to overcome a threat to system security. If AEMO reasonably considers that the threat is unlikely to subside without intervention, AEMO must intervene in the Market by taking any measures, and/or providing advice for any measures to be taken, where it believes the measures are reasonable and necessary to overcome the threat.

Measures that may be taken to implement curtailment, rationing and recovery include:

- Directed restrictions, given by AEMO;
- An appeal for voluntary reductions given by the Victorian government department that is the control agency for energy emergencies (**the Department**), on advice from AEMO; and
- Mandated restrictions given by ESV or the Minister of the Department, on advice from AEMO.

These measures and the process for their implementation is illustrated in the process flow chart given in **Error! Reference source not found.**

3.1. Directed restriction

A directed restriction is a direction given by AEMO under NGL 91BC for a *Registered participant* to regulate the supply or use of gas. The direction may require the *Registered participant* to do any reasonable act or thing that AEMO believes necessary in the circumstances. This may include giving directions to a:

- (a) *Retailer* to notify a tariff D customer to regulate the use of available gas supply.
- (b) *Distributor* to regulate the flow of gas to a tariff D customer.

- (c) *Storage provider, DTS Service Provider, interconnected transmission pipeline service provider or transmission customer* to regulate the flow of gas through a *DTS transfer point*.
- (d) Other *Registered participants* that become registered under NGR 135A in the Market to regulate the use of available gas supply.

In accordance with NGL 91BC, a direction issued by AEMO applies only to *Registered participants* of the Market and does not apply directly to non-Market customers or non-market gas facility operators. A direction to these parties must be given by the Minister or ESV, as detailed in sections 3.3 and 3.4.

AEMO will not issue a direction to *Registered participants* to restrict the consumption of a tariff V customer. Directions to restrict consumption by these customers are to be given via a mandated restriction as detailed in section 3.3.

AEMO will typically give a direction to both the *Retailer* and *Distributor* of a tariff D customer to ensure the intended response is achieved. This may require the *Retailer* to communicate the curtailment direction to the customer and the *Distributor* to physically isolate the customer from a DDS.

Directions will be made in writing and will be issued by AEMO to a *Registered participant* via fax and/or email. In addition, AEMO may also communicate the written direction via teleconference (or equivalent) or by telephone to the participants registered emergency representative. Communication channels between stakeholders are detailed in the Emergency Procedures (Gas) (**Procedures**).

AEMO may support a *Retailer* in implementing a direction by directly notifying a tariff D customer of the impending *Retailer* issued notification to regulate gas use. AEMO will only consider providing this service if the *Retailer* has provided the email address of the customers emergency representative in advance of the event.

A *Registered participant* must use its reasonable endeavours to ensure that, during an event, its customers act in a manner that enables that *Registered participant* to comply with a direction. Implementation of the direction must be conducted in a safe manner and in accordance with the *Registered participants* safety plan and/or safety procedures.

In accordance with NGL 91BD, a person incurs no civil monetary liability for damage, loss or injury resulting from an act or omission done or made in good faith and in compliance or purported compliance with a direction issued by AEMO under NGL 91BC.

A *Registered participant* to whom a direction applies must comply with the direction and this will be enforced through NGL 91BC.

3.2. Voluntary reductions

AEMO may give advice to the Department that an appeal for customers to voluntarily regulate their gas consumption is reasonable and necessary to mitigate a threat. If accepted, an appeal for voluntary reductions will be issued by the Department directly to the customer. The appeal is not enforceable but enforceable directions may be subsequently issued if the intended response is not achieved.

A voluntary appeal may be directed to all customers, or a targeted subsection, and will include a range of recommendations that customers can take to reduce consumption, such as:

- Residential customers:

- Turn off all non-essential gas appliances (do not turn-off gas supply at the meter).
- Keep warm by adding layers of clothing.
- Use other ways to cook food and heat water.
- Commercial and industrial customers:
 - Do not use gas-powered heating or cooling of premises unless for OH&S reasons.
 - Postpone or reduce production processes using gas, where possible and where this will not cause damage to plant.
 - Turn off all non-essential gas appliances.

Standard operating procedures and processes detailed in the Procedures will be used by AEMO and the Department to expediate communication and implementation of an appeal for voluntary reductions.

3.3. Mandated restriction

A mandated restriction is a direction given by either ESV or the Minister of the Department to implement curtailment, rationing or recovery through the use of Emergency powers. Emergency powers refers to the authority invested in ESV, under the Gas Safety Act, and the Minister of the Department, under the Gas Industry Act, to respond to a threat.

Utilisation of mandated restrictions will be preceded by an AEMO declaration of an *emergency* under NGR 333. In its absolute discretion AEMO may declare an *emergency* under NGR 333 where it reasonably believes there to be a situation which may threaten the reliability of gas supply, public safety or the security of the DTS or a DDS.

AEMO will give advice to the Minister of the Department or ESV that they should give a direction for mandatory restrictions in response to an emergency. Mandated restrictions are enacted and given by:

- ESV under the Gas Safety Act, clause 107 (1A), where there is an immediate threat to safety; or by the
- Minister of the Department, under the Gas Industry Act, clause 207.

Considerations on the legislation through which to give a mandated restriction are given in the Procedures. If a rapid response is required, issuance of mandatory restrictions will be sought from ESV under Section 107(1A) of the Gas Safety Act, due to the more expedient process. Should the lead time be sufficient, the proclamation of an emergency, and subsequent issuing of directions, will be sought under the Gas Industry Act.

Mandated restrictions may be given to a *Registered participant* or person, including a residential, commercial or industrial customer, to regulate the use of available gas supply. Where a *Registered participant* or person is subject to an existing direction under NGL 91BC, the mandated restriction will prevail.

A mandated restriction will be communicated by the Department to the subject of the restriction. This may be in the form of:

- publication of the restriction in a newspaper circulating in the area in which the restriction applies; or
- broadcast by means of radio or television transmission in the area in which the restriction applies.

AEMO, *Retailers* and *Distributors* may support the Department in communicating the restriction or as otherwise directed by the Department.

Subject to the legislation through which a mandated restriction has been issued, the restriction will be enforced in accordance with the Gas Industry Act, clause 208, or the Gas Safety Act, clause 107. Enforcement will apply to any person that is subject to the restriction and who has been made aware of the restriction.

Liability of a person or body acting in compliance with a mandated restriction will be considered in accordance with the Gas Industry Act, clause 213, 232 and 233, or the Gas Safety Act, clause 109A (subject to the legislation through which the mandated restriction was made).

3.4. Complementary measures

Complementary measures that may be implemented to support curtailment, rationing and recovery include:

AEMO:

AEMO will give due consideration to alternate sources of gas supply and will only give, or recommend measures be taken, to reduce consumption as a last resort and to that extent required to maintain or improve system security, the reliability of supply or public safety. This may include a direction to a *Registered participant* to use reasonable endeavours to inject gas into the DTS.

Victorian Government:

Through the use of available legislated powers the Minister of the Department or ESV may direct a:

- *Registered participant* including *producer, storage provider or transmission pipeline service provider* to intervene in the supply of gas;
- non-declared gas facility operator located within Victoria to intervene in the supply of gas.

Gas company:

In accordance with the Gas Industry Act, clause 156, if an officer or employee of a gas company considers that the security or safety of any pipeline used by the gas company can only be ensured by stopping the conveyance of gas through or to the pipeline, the officer or employee may take such steps as are necessary to stop the conveyance of gas.

The *Distributor* may determine a need for, approve and implement, the interruption of supply to a customer connected to their distribution network in accordance with the Gas Distribution Code, where:

- the Victorian Government have declared that Part 6, for gas supply emergency provisions, of the Gas Industry Act apply; or
- a Level 2 to 4 emergency, as set out in the emergency command organisation arrangement, has been declared.

3.5. Public communication

Subject to the activation criteria specified in the Single Industry Spokesperson Protocol, AEMO will take a leadership role in media relations during an event or emergency as detailed in the Procedures. In this role AEMO will speak publicly on behalf of the Victorian gas supply industry to ensure media, customers, and the general public receive coordinated and timely responses

that communicate the agreed key messages and give clear advice about the status of the event or *emergency*.

The Department will be responsible for communication of any appeal for voluntary reductions and/or a mandated restriction.

Distributors and *Retailers* will maintain communications channels that enable customers to ascertain the details of the event or *emergency* and the impacts to supply. Information to support this activity will be made available to Registered participants via processes detailed in the Procedures.

4. Planning and preparation

In preparation for an event or emergency AEMO, ESV and the Department will maintain internal procedures and processes required to implement these Guidelines.

In accordance with NGR 335 *Registered participants* must establish and maintain their own safety plan and/or procedures necessary to enable it, and where relevant, its customers to comply with the Guidelines.

In accordance with NGR 336 each *Registered participant* must at all times ensure that all of its relevant officers and staff and, where relevant, its customers, are familiar with the Protocol and the *Registered participant's* safety plan or safety procedures.

Data provided to AEMO by *Registered participants* for planning and preparation of curtailment, rationing and recovery includes:

- Participant emergency contacts, given in accordance with NGR 334;
- Distribution customers curtailment information submissions, given by a *Distributor* in accordance with NGR 337;
- Transmission customers curtailment information submissions, given by a *Transmission customer* or the *Retailer* from whom it purchases gas, as arranged by the *Transmission customer*, in accordance with NGR 338;
- *Transmission customer* application for a curtailment and/or rationing allowance provided where they reasonably believe they are eligible for an allowance;
- *Retailer* curtailment information submission provided no later than 28 February in each year, which must include:
 - number and size of demand by tariff class of Critical and Essential services and customers listed on the gas Life Support Register by post code.
 - customer requests for a Curtailment and/or Rationing allowance where they reasonably believe they are eligible for an allowance.
 - the quantity of gas required by a Gas Powered Generation (**GPG**) customer to convert to, start-up and run using an alternate fuel supply (as applicable).
- Contractual arrangements with a customer relating to interruption or curtailment, which the *Retailer* must give to AEMO within 21 business days of entering into such an agreement.
- optional Retailer provided emergency contact email address of their tariff D customers;

AEMO, *Retailers* and customers will process requests for a curtailment and/or rationing allowance as detailed in section 8.

AEMO will publish a provisional Gas Curtailment List daily on the Market Information Bulletin Board (**MIBB**). This list will identify the provisional curtailment category of tariff D customers as derived from the Curtailment Tables given in Table 1.

5. Curtailment

Curtailment may be described as the rapid and controlled reduction in customer load that is reasonable and necessary to protect system security, the reliability of supply or public safety. Curtailment processes will commence after AEMO provides notification of a threat to system security and where curtailment is reasonable and necessary to address that threat. It will typically end after a balance between consumption and supply has been achieved. Rationing and recovery processes may commence after curtailment to co-ordinate the restoration of supply to customers.

Curtailment has been strongly defined and structured to streamline both decision making and implementation. A rapid response to load reduction is necessary to minimise risk to system security and the Victorian community given the limited amount of gas stored as linepack within the DTS. The low quantity of stored gas limits the timeframe in which measures can effectively mitigate risk.

5.1. Curtailment process

For the duration of the curtailment phase AEMO will maintain an estimate of the deficit between demand and available supply. In estimating this quantity, consideration will be given to any gas system operational requirement that is reasonable and necessary to achieve or maintain system security.

As specified by NGR 343, curtailment will occur in accordance with the Gas Curtailment List. This list will be developed at the time by AEMO to give the sequence of customer curtailment and is derived from the Curtailment Tables given in Table 1. The list will reflect the provisional curtailment list published daily on the MIBB.

In making the list, AEMO may deviate from the provisional list and Curtailment Tables where reasonable and necessary to achieve any operational requirement for system security or to minimise the impact of curtailment on the Victorian community.

Where a direction to curtail a group of customers has been given to a *Registered participant*, the participant must curtail in a sequence based on customer consumption, from largest to smallest, or unless otherwise directed, or unless there is a safety risk in implementing in that order.

Implementation of Curtailment will be achieved via measures detailed in section 3 and illustrated in the process flowchart given in **Error! Reference source not found.**

5.2. Curtailment tables

The Curtailment Tables as summarised in Table 1 have been prepared through a risk based approach to the implementation of the priorities listed in section 2.1.

Table 1 Curtailment tables summary

	Table Description	Typical measure type
Table 1	Supply for: (a) withdrawals in to storage (b) GPG subject to specified considerations. (c) customers with interruptible supply contracts (d) controllable withdrawals to interconnected transmission pipelines	Directed restriction
Table 2	An appeal for a voluntary reduction in gas consumption.	Voluntary reduction
Table 3	Tariff D – Category B Curtailment of high consuming (tariff D) customers that will likely have a negligible to low impact to health, the environment or community financial sustainability.	Directed restriction
Table 4	Residential and small commercial (tariff V) customers.	Mandated restriction
Table 5	Tariff D – Category A Curtailment of high consuming (tariff D) customers that will likely have a low to intermediate impact to health, the environment or community financial sustainability.	Directed restriction
Table 6	Priority services, which is formed from: 1. Critical services. 2. Pre-approved customers with a curtailment allowance.	Mandated restriction
Table 7	In order of priority: 1. Medically required residential gas consumption for customers not registered in the gas Life Support Register. 2. Residential customers that are registered in the gas Life Support Register. 3. Essential services.	Mandated restriction

Curtailment, including an appeal for voluntary reductions, will occur by customer grouping (Table) as summarised in Table 1. Tables will typically be curtailed in whole (i.e. all customers within the given Table) from 1 to 7 until the minimum quantity of load reduction has been reached. Multiple Tables may be curtailed in a single direction.

Communication of curtailment to a given Table may occur out of sequence if the time required to approve and communicate curtailment to that Table requires more time than another Table grouping that has also been directed to curtail. For example, AEMO may communicate a direction to curtail Table 5 customers before the Department communicates a direction to curtail Table 4 customers.

With the exception of Table 2 and 4, customers within a curtailed Table will typically be directed to cease all gas consumption or reduce to a pre-approved curtailment allowance as soon as practicable. Customers will typically be directed initially to implement this direction by shutting off gas flow at the appliance or plant level. Additional directions may be subsequently issued to the customer or *Distributor* to isolate the customer at the distribution connection point as required.

Customers that have obtained a pre-approved allowance will be directed to reduce consumption to the approved allowance in the curtailment of a Table between Tables 1 to 5. These customers will be directed to cease all gas consumption as soon as practicable as part of the Table 6 grouping.

Customers that qualify as a Critical service will be excluded from Tables 1 to 5 and will be curtailed as part of the Table 6.

Customers that have a medical requirement to consume gas, that are registered on the gas Life Support Register or that qualify as an Essential service will be excluded from Tables 1 to 6 and will be curtailed as part of Table 7.

5.2.1. Table 1 customers

This customer grouping includes:

- (a) withdrawals in to a *gas storage facility*;
- (b) GPG subject to considerations that include the current and forecast needs of the National Energy Market (**NEM**) and the availability of alternate sources that may provide equivalent services to the NEM.

A GPG customer may be permitted to consume a quantity of gas that is necessary to convert to, start-up and run using an alternate fuel supply source (e.g. diesel). This quantity of gas may be eligible for a pre-approved curtailment and rationing allowance via the process described in section 8.

Supply made available to a GPG customer may change as directed if the considerations that influence the initial decision to curtail, or permit continued gas use, change (i.e. forecast NEM requirements change). This change in available supply may occur at any stage of the curtailment, rationing and recovery process.

As a general principle and in consideration of the relatively high gas consumption of GPG, it is preferable to reduce gas supply to GPG, even if it results in some load shedding in the power system, instead of failing to maintain gas system security. This preference is based on the risk of long term outages due to a failure to maintain positive pressure in the gas distribution networks.

- (c) interruptible supply contracts are formed from customers that have entered into contracts with a *Retailer* that allows for the interruption of supply of gas to that customer. The curtailed quantity will be equivalent to the extent that the contract provides for the interruption of gas to that customer.
- (d) controllable withdrawals in to an interconnected transmission pipeline, excluding supply necessary to maintain any downstream connected DDS. Customers connected to the downstream DDS will be curtailed in accordance with the Curtailment List

5.2.2. Table 2 customers

A voluntary appeal to all customers, or a targeted subsection, to reduce consumption.

5.2.3. Table 3 customers

Tariff D – category B customers, where the use of gas is unlikely to be required to protect either:

- Individual livelihoods and individual and community financial sustainability;
- Environmental and conservation assets; or
- Life or the relief from suffering.

Curtailment of these customers is expected to have a negligible to low impact to health, the environment or the financial sustainability of the Victorian community. This will primarily be

service industry based customers that utilise gas for non-process heating. Examples of gas users within this grouping include:

- Universities and office buildings;
- Retail centres;
- Community pools; and
- Hotels.

5.2.4. Table 4 customers

Residential, and small to medium sized commercial customers that normally consume less than 10 TJ per year (i.e. Tariff V customers). Directions to restrict consumption by this customer group may be implemented in multiple stages. This may include a mandated restriction to first conserve gas use, prior to a direction to cease all gas consumption.

Customers that have a medical requirement to consume gas, that are registered on the gas Life Support Register or that qualify as an Essential or Critical service are excluded from this group.

5.2.5. Table 5 customers

Tariff D – category A customers where the use of gas is likely required to protect either:

- Individual livelihoods and individual and community financial sustainability;
- Environmental and conservation assets; or
- Life or the relief from suffering.

And where curtailment of the customer is likely to have a low to intermediate risk to health, the environment or the financial sustainability of the Victorian community. This will primarily be manufacturing industry based customers that utilise gas for process heating. Examples of gas users within this grouping include:

- Food production;
- Manufacture of construction materials;
- Manufacture of textiles; or
- Metal fabrication.

5.2.6. Table 6 customers

Critical services (including tariff V and tariff D sites) identified by the Victorian Government as critical to either the health, environment or the financial sustainability of the Victorian community. These services have been identified as:

- Day Procedure Centres performing urgent surgery or medical treatments i.e. dialysis, chemotherapy treatment;
- High Rise Public Housing Accommodation (bulk gas services);
- Secure Youth Welfare Residential Juvenile Justice Facilities Services;
- Drug Rehabilitation Residential Services;
- Disability Residential Units/Institutions;
- Rendering (i.e., management of abattoir, butcher waste);

- Milk and bread supply;
- Essential pharmaceuticals;
- Subacute mental health services;
- Meals on wheels kitchens;
- Crematoriums; and
- Supply chain enablement necessary to support Critical services.

Additionally, customers that have been granted a pre-approved curtailment allowance in accordance with the process detailed in section 8 will be directed to cease all gas consumption as part of this customer grouping.

5.2.7. Table 7 customers

Residential customers where the continued consumption of gas is necessary to diagnose or treat an illness, injury, condition or its symptom and where that consumption is required to meet acceptable standards of medicine. Eligible customers include:

- Recipients of Commonwealth Home Support Packages, Home Care Packages, National Disability Insurance scheme and Hospital in the Home care.
- Pregnant people with health conditions; and
- People receiving Palliative Care.

Medically necessary gas use will include consumption for:

- Meal and food production;
- Bathing and hygiene;
- Nursing;
- Therapies; and
- Laundering.

Customers registered on the gas Life Support Register will be prioritised above all other residential gas customers but below essential health services.

Essential health services (including tariff V and tariff D sites), identified by the Victorian Government department that is responsible for health, as essential to the preservation of life and relief from suffering are the highest priority group of gas customers. These services have been identified as:

- Hospitals;
- Aged and infirm residential institutions; and
- Supply chain enablement, including:
 - Laundries; and
 - blood plasma and related products to hospitals.

6. Rationing

Rationing may be described as the coordinated allocation of insufficient available gas supply to customers which is reasonable and necessary to protect system security, the reliability of supply or public safety. Rationing will typically commence after curtailment and will end after

available supply reliably exceeds demand. Recovery processes may run in parallel with rationing to co-ordinate the restoration of supply to customers and the return to normal Market function.

Rationing can occur following a major, unexpected supply disruption, and remain in place while the problem is remedied. Rationing may also be used to address an anticipated, longer-term issue which cannot be resolved through any other method. In this case, *Registered participants* and customers are more likely to have been given advanced notice of the impending measures, providing them with the opportunity to enact appropriate contingency plans.

The rationing process includes greater flexibility than curtailment as more time will be available to assess the reliability of supply and determine the best use of that supply to minimise impacts to the Victorian community.

6.1. Rationing process

For the duration of the rationing phase AEMO will maintain an estimate of the quantity of available supply that may be allocated for withdrawal from the DTS. In estimating this quantity, consideration will be given to any gas system operational requirement that is reasonable and necessary to achieve or maintain system security. Allocation of supply for withdrawal will occur only when it can be reasonably expected to be maintained without threatening system security.

The composition of customers allocated supply will be guided by the customer prioritisation defined in section 6.2. This prioritisation will be used as a guide only in developing a rationing response that minimises impacts to the Victorian community and safe guards system security.

A customer may be allocated supply and directed to limit their gas consumption. Such a direction will include guidance on how that customer may minimise their consumption.

Implementation of rationing will be achieved via measures detailed in section 3 and illustrated in the process flowchart given in **Error! Reference source not found.** This may include an appeal for voluntary reductions

6.2. Customer prioritisation

Customer prioritisation for rationing from most important to maintain supply to least, is summarised in Table 2. It has been prepared through a risk based approach to the implementation of the priorities listed in section 2.1 and reflect similar customer groupings used in the implementation of curtailment as detailed in section 5.

Table 2 Rationing customer prioritisation summary

	Priority description
Priority 1	<ol style="list-style-type: none"> Essential services Residential customers that are registered on the gas Life Support Register. Residential customers with a medical requirement to consume gas.
Priority 2	Priority persons and services Priority services is formed from: <ol style="list-style-type: none"> Critical services. Pre-approved customers with a rationing allowance.
Priority 3	Tariff D – category A customers.
Priority 4	Residential and small to medium commercial customers (Tariff V).

	Priority description
Priority 5	Tariff D – category B customers.
Priority 6	Supply for: (a) withdrawals in to storage. (b) GPG subject to specified considerations. (c) customers with an interruptible supply contract. (d) controllable withdrawals in to interconnected transmission pipelines.

The prioritisation of GPG and withdrawals via interconnected pipelines, both grouped in Priority 6, may change:

- GPG customer prioritisation will be subject to considerations referenced in section 5.2.1; and
- withdrawals to other jurisdictions will include consideration of the efficient and effective management of any multi-jurisdictional supply shortages to minimise impact to the economy and community. This consideration will be informed through consultation with the National Gas Emergency Advisory Committee (**NGERAC**).

6.2.1. Priority 1 customers

These customers are equivalent to those allocated to curtailment Table 7. Refer to section 5.2.7 for detail.

6.2.2. Priority 2 customers

These customers include:

- Critical services identified by the Victorian Government department responsible for health and listed in section 5.2.6.
- Customers that have been granted a pre-approved rationing allowance in accordance with the process detailed in section 8. These customers may be allocated a quantity of gas that has been assessed as required to mitigate a high or extreme risk.
- Residential customers that house a person whose health may be at greater risk from a continued loss of gas supply. The Victorian Government will identify the eligibility criteria for these customers at the time of the event based on factors that may include the available gas supply, expected duration of the rationing phase and forecast weather conditions.

This group excludes customers that have a medical requirement for gas consumption. These customers are allocated to the Priority 1 grouping.

An indicative list of the eligibility criteria for this group is provided as follows:

- Babies and children under 5 years of age;
- People aged 70 and over;
- People with chronic illness or other chronic medical conditions whose health could be significantly impacted by a loss of gas supply; and
- People with moderate to severe physical, intellectual or psychiatric disability.

6.2.3. Priority 3 customers

These customers are equivalent to those allocated to curtailment Table 5. Refer to section 5.2.5 for details.

6.2.4. Priority 4 customers

These customers are equivalent to those allocated to curtailment Table 4. Refer to section 5.2.4 for details.

6.2.5. Priority 5 customers

These customers are equivalent to those allocated to curtailment Table 3. Refer to section 5.2.3 for details.

6.2.6. Priority 6 customers

These customers are equivalent to those allocated to curtailment Table 1. Refer to section 5.2.1 for details.

7. Recovery

Recovery may be described as the co-ordinated restoration of supply to customers and the return to normal Market function. It may commence after curtailment and may run in parallel with rationing. It will conclude when normal Market function is restored and after AEMO provides notification of its end.

7.1. Recovery process

The recovery response will be estimated by AEMO in consultation with jurisdictional safety bodies and *Registered participants*. This response will be specific to the characteristics of the supply disruption event and may include directions to participants and/or customers to do any reasonable and necessary act required to:

- Restore supply to:
 - a) the DTS;
 - b) a DDS; and/or
 - c) a customer.
- Restore normal Market function.

8. Pre-approved allowance

Supply to a customer of a minimum quantity of gas may be prioritised where that supply may reduce extreme or high risk to As Low As Reasonably Practicable (**ALARP**). This quantity will be determined by AEMO as the customers:

- Curtailment allowance, which is the minimum quantity of gas required to mitigate an extreme or high risk to the Victorian community that results from a sudden and immediate loss of complete gas supply to the customer, as may occur during curtailment.

- Rationing allowance, which is the minimum quantity of gas required to mitigate an extreme or high risk to the Victorian community that results from a prolonged disruption of supply to the customer, as may occur during rationing.

8.1. Pre-approved allowance process

AEMO will publish an application form for a pre-approved allowance on its website. Customers that reasonably believe they are eligible for an allowance must complete this form and submit it to their *Retailer*. The *Retailer* must submit this completed application form to AEMO for review and approval.

Where the customer is a registered *transmission customer*, the completed pre-approved application form may be submitted directly to AEMO.

Information to be included in an application must be sufficient for AEMO to determine:

- the risk to the Victorian community from curtailing or rationing supply to the customer;
- the minimum quantity of gas required to mitigate that risk to ALARP; and
- the resultant risk to the Victorian community from curtailing or rationing supply to the customer, where the minimum quantity of gas is made available to the customer for continued consumption.

AEMO may request the customer provide independent validation of any claim made within the application. This will be requested where AEMO requires expert verification of the potential risk to the community or the supply quantity required to mitigate that risk.

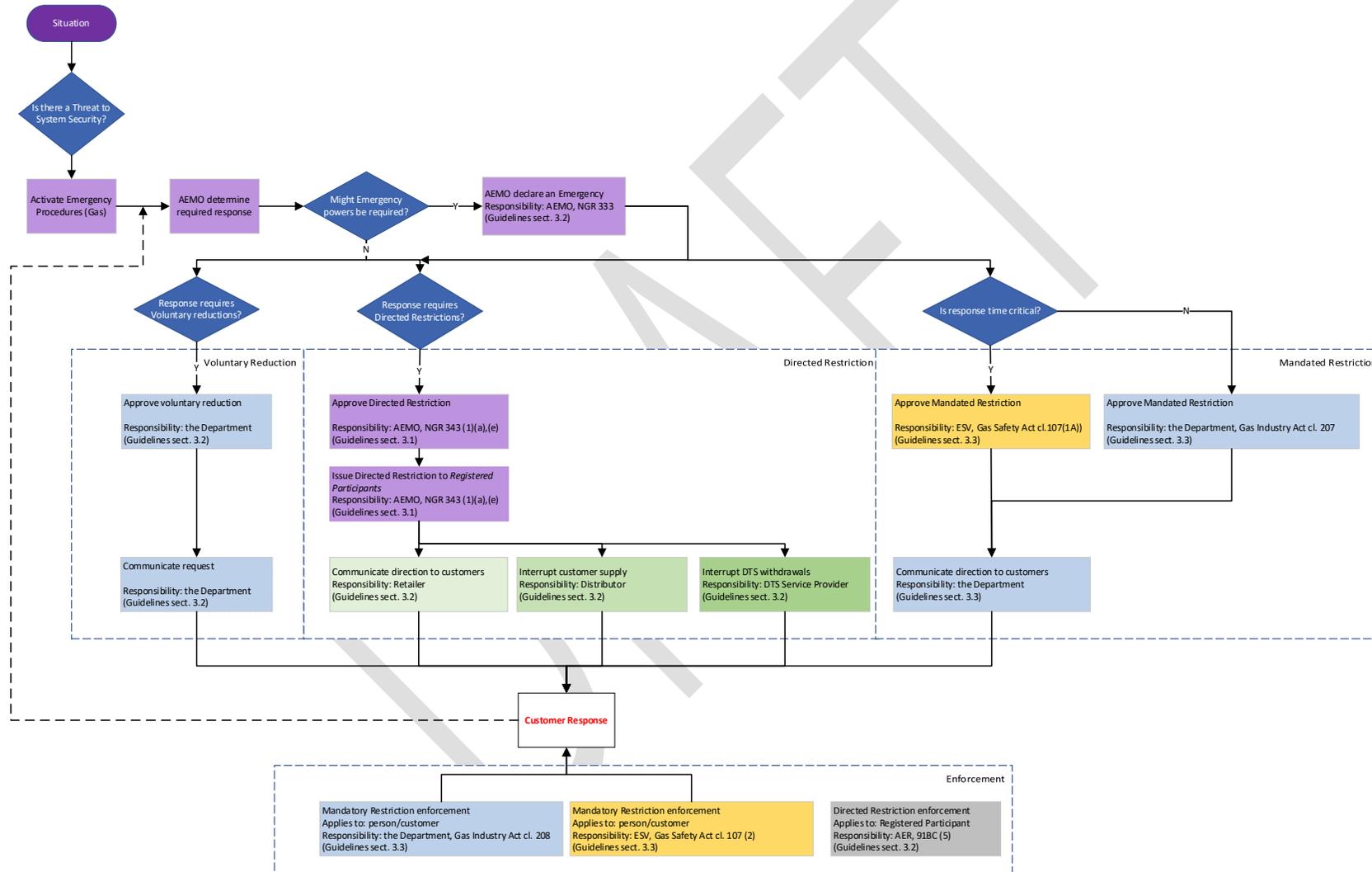
Risks to the Victorian community ranked:

- high or extreme will make the customer eligible for a pre-approved allowance. An allowance may be approved where a quantity of gas can reduce that risk to ALARP;
- intermediate, low or negligible will be considered ALARP and the customer will not be eligible for a pre-approved allowance.

AEMO will communicate the outcome of the assessment to the *Retailer* or *Transmission customer* that has submitted the request.

Successful requests may be subject to future re-evaluation in consultation with the customer. Any change to the approved allowance will be communicated to the customer.

Appendix A. Curtailment, rationing and recovery measures



Appendix B. Legislation, regulation and code obligations

This list gives a selection of obligations that influence Curtailment, Rationing and Recovery and that must be considered in implementation of the Guidelines.

Legislation, Rules or Code	Guideline ref.	Obligation
National Gas (Victoria) Act, clause 53	Purpose and Scope	(1) Subject to this Division, AEMO must make and keep up to date a protocol (a gas emergency protocol) that— (c) sets out the customers or classes of customers to be curtailed in the case of each category of gas emergency and the order of their curtailment; (d) describes the matters or things to be taken into account in determining who will be curtailed in the case of each category of gas emergency and the order of their curtailment; (e) sets out the order of restoration of supply of gas to customers or classes of customers; (f) describes the matters or things to be taken into account in determining the order of restoration of supply of gas to customers or classes of customers; (g) provides for rationing of the supply of gas and the basis on which it will be administered; (h) provides for how gas emergencies are to be managed and by whom;
National Gas (Victoria) Act, clause 53	Purpose and Scope	Before making a gas emergency protocol, AEMO must consult with the Minister, Energy Safe Victoria and Registered participants.
National Gas (Victoria) Act, clause 53	Purpose and Scope	In making a gas emergency protocol, AEMO must have regard to the economic and social needs of the Victorian community.
National Gas (Victoria) Act, clause 54	Purpose and Scope	(1) The Minister may give AEMO a written direction in relation to— (a) what should or should not be in a gas emergency protocol made or to be made by AEMO; or (b) the administration or operation of a gas emergency protocol made or to be made by AEMO. (2) AEMO must comply with a direction under subsection (1).
National Gas (Victoria) Act, clause 55	Purpose and Scope	(1) Subject to subsection (2), a Registered participant must comply with a gas emergency protocol published by AEMO. (2) A Registered participant is not required to comply with a gas emergency protocol, or a part of a gas emergency protocol, published by AEMO that is inconsistent with a direction given to the Registered participant— (a) by Energy Safe Victoria; or (b) by the Minister under Part 9 of the Gas Industry Act 2001.
National Gas (Victoria) Act, clause 56	Purpose and Scope	On the transition day, all of the Gas Emergency Procedures, the Gas Curtailment Guidelines and the Gas Curtailment List, are to be taken to be one gas emergency protocol made by AEMO.
Gas Industry Act, clause 156	Complimentary measure	(2) If an officer or employee of the gas company considers that the security or safety of any pipeline used by the gas company can only be ensured by stopping the conveyance of gas through or to the pipeline, the officer or employee may take such steps as are necessary to stop the conveyance of gas.

Legislation, Rules or Code	Guideline ref.	Obligation
Gas Industry Act, clause 206	Mandated restriction	(1) If it appears to the Governor in Council that the available supply of gas is or is likely to become less than is sufficient for the reasonable requirements of the community, the Governor in Council may, by proclamation, declare that this Part is to apply. (2) The proclamation must be published in the Government Gazette
Gas Industry Act, clause 207	Mandated restriction	(1) While a proclamation is in force, the Minister may, having regard to the needs of the community, give any directions that the Minister thinks necessary to— (a) ensure the safe and sure supply of gas; or (b) to regulate the use of the available supply of gas.
Gas Industry Act, clause 208	Mandated restriction	(1) A person or body who is aware of a direction, prohibition or requisition made under section 207 must comply with the direction, prohibition or requisition. (2) A person is deemed to be aware of a direction, prohibition or requisition if the Minister has caused— (a) the direction, prohibition or requisition to be published in a newspaper circulating in the area in which the direction, prohibition or requisition applies; or (b) details of the direction, prohibition or requisition to be broadcast by means of radio or television transmission in the area in which the direction, prohibition or requisition applies. (5) A person must not contravene subsection (1). Penalty: In the case of a natural person, 240 penalty units. In the case of a body corporate, 10 000 penalty units.
Gas Industry Act, clause 213	Mandated restriction	A person acting in good faith in the execution of this Part [Part 9 - Gas supply emergency provisions] or any proclamation, direction, prohibition or requisition under this Part is not liable to any action, claim or demand on account of any damage, loss or injury sustained or alleged to be sustained because of the operation of this Part or of anything done or purporting to be done under this Part or any proclamation, direction, prohibition or requisition under this Part.
Gas Industry Act, clause 232	Mandated restriction	(1) Despite anything to the contrary in this or any other Act or in any contract, a gas retailer is not liable to any penalty or damages for failing to supply gas if the failure arises out of any accident or cause beyond the control of the gas retailer.
Gas Industry Act, clause 233	Mandated restriction	(1) Despite anything to the contrary in this or any other Act but subject to subsection (2) or in any contract— (b) a gas distribution company is not liable to any penalty or damages for failing to convey gas through distribution pipelines if the failure arises out of any accident or cause beyond the control of the gas distribution company. (2) A gas distribution company may enter into an agreement with a person varying or excluding the operation of subsection (1) and, to the extent of that agreement, that subsection does not apply.
Gas Safety Act, clause 107	Mandated restriction	(1A) In addition to the powers under section 106 and subsection (1), the Chairperson may in a gas emergency situation give any directions the Chairperson considers necessary— (a) to regulate the use of the available supply of gas having regard to the needs of the community; or (b) to facilitate the reliability of the supply of gas; or (c) to facilitate the security of the systems for the transmission or distribution of gas.
Gas Safety Act, clause 107	Mandated restriction	(2) A person must comply with a direction under this section that applies to the person. Penalty: In the case of a natural person, 500 penalty units or 5 years imprisonment or both; In the case of a body corporate, 10 000 penalty units.

Legislation, Rules or Code	Guideline ref.	Obligation
Gas Safety Act, clause 109A	Mandated restriction	A person is not liable to any action, claim or demand on account of any damage, loss or injury sustained or alleged to be sustained because of anything done or omitted to be done in good faith— (a) in the execution of any direction under, or purportedly under, section 107; or (b) in the reasonable belief that the act or omission was in the execution of such a direction.
Gas Distribution System Code, section 9.1	Complimentary measure	A Distributor may curtail or interrupt the delivery of gas to a distribution supply point to the extent, and for such period of time, as the Distributor considers is necessary: (c) in the event of or likelihood of an emergency;
Gas Distribution System Code, section 9.3	Public communication	In the case of an unplanned interruption, the Distributor must provide a 24 hour telephone number to enable customers to ascertain details, and the expected duration, of the interruption.
Gas Distribution System Code, section 9.7	Planning and preparation	(a) A Retailer must notify the Affected Parties (including AEMO as required) of its contractual arrangements with a Customer relating to interruption or curtailment within 21 business days of entering into such arrangements.
National Gas Law, clause 91BA	Applicable to multiple sections.	(1) AEMO's declared system functions are as follows: (a) to determine security standards for the declared transmission system; (b) to control the operation and security of the declared transmission system; (c) to monitor and review the capacity of the declared transmission system and the trends in demand for the injection of gas into, and the withdrawal of gas from, that system; (d) to provide information and other services to facilitate decisions for economically efficient investment in markets for natural gas; (e) to coordinate the interaction of producers, storage providers and service providers for ensuring a safe, secure, reliable and efficient declared transmission system; (f) to operate and administer the declared wholesale gas market; (g) to make, amend or revoke Procedures governing the operation and administration of the declared wholesale gas market.
National Gas Law, clause 91BC	Directed restriction	(1) AEMO may give written directions to a Registered participant (or an exempted participant) with respect to the declared transmission system or a declared distribution system for 1 or more of the following purposes: (a) to maintain and improve the reliability of the supply of natural gas; (b) to maintain and improve the security of the declared transmission system or a declared distribution system; (c) in the interests of public safety
National Gas Law, clause 91BC	Directed restriction	(5) A person to whom a direction under this section applies must comply with the direction. Maximum penalty: (a) in the case of a natural person—\$34 000; (b) in the case of a body corporate—\$170 000
National Gas Law, clause 91BD	Directed restriction	A person incurs no civil monetary liability for damage, loss or injury resulting from an act or omission done or made in good faith and in compliance or purported compliance with a direction under this Subdivision

Legislation, Rules or Code	Guideline ref.	Obligation
National Gas Rules, rule 333	Declare an emergency	(1) An emergency occurs when: (a) AEMO reasonably believes there to be a situation which may threaten: (i) reliability of gas supply; or (ii) system security or the security of a declared distribution system; or (iii) public safety, and AEMO in its absolute discretion considers that the situation is an emergency and declares there to be an emergency; or
National Gas, Rules, rule 334	Planning and preparation	(1) Each Registered participant must provide AEMO with: (a) a single telephone number and facsimile number at which a representative of the Registered participant is contactable by AEMO, 24 hours a day; and (b) the name and title of the Registered participant's representative who is contactable at those numbers.
National Gas Rules, rule 335	Planning and preparation	(2) Each Registered participant must ensure that the safety procedures it establishes under subrule (1) are consistent with the emergency protocol and its safety plan (if any).
National Gas Rules, rule 336	Planning and preparation	(1) Each Registered participant must at all times ensure that all of its relevant officers and staff and, where relevant, its Customers, are familiar with the emergency protocol and the Registered participant's safety plan or safety procedures.
National Gas Rules, rule 337	Planning and preparation	(1) Subject always to the requirement that a Distributor must use its best endeavours to provide information to AEMO under this rule in a way that does not reveal the identity of a Customer, each Distributor must provide information to AEMO in accordance with subrule (2), for each transfer point relating to that Distributor's distribution pipelines, by no later than 28 February in each year. (2) Unless otherwise agreed by AEMO, the information provided to AEMO under subrule (1) must set out for each transfer point referred to in subrule (1): (a) the system withdrawal zone in which that transfer point is located; and (b) the name and address of the Distributor on whose distribution pipeline that transfer point is located; and 24 hours a day, and the name and title of those representatives of the Distributor who are contactable at those numbers; and (c) a single telephone number and facsimile number at which one or more representatives of the Distributor having appropriate authority and responsibility within the Distributor's organisation to act as the primary contact for AEMO in the event of an emergency are contactable by AEMO (d) the number of Distribution Customers which withdraw gas from any distribution delivery point on the Distributor's distribution pipelines after that gas has passed through each of those transfer points; and (e) the aggregate size of demand of all Distribution Customers represented by that transfer point; and (f) the type of demand of all Distribution Customers represented by that transfer point; and (g) the time it would take to implement curtailment in respect of the Distribution Customers represented by that transfer point. (3) Each Distributor must immediately notify AEMO of a change to the details required under subrule (2) and where possible in advance.

Legislation, Rules or Code	Guideline ref.	Obligation
National Gas Rules, rule 338	Planning and preparation	<p>(1) By no later than 28 February in each year, each Transmission Customer must provide to AEMO the information set out in subrule (2) and if that Transmission Customer is not a Market Customer, then the Transmission Customer must arrange for the Retailer from whom it purchases gas to provide that information on its behalf.</p> <p>(2) The information to be provided to AEMO under subrule (1) must set out:</p> <p>(a) the name and address of the Transmission Customer; and</p> <p>(b) a single telephone number and facsimile number at which a representative of the Transmission Customer is contactable by AEMO, 24 hours a day; and</p> <p>(c) the name and title of the Transmission Customer's representative who is contactable at those numbers and is a person having appropriate authority and responsibility within the Transmission Customer's organisation to act as the primary contact for AEMO in the event of an emergency; and</p> <p>(d) the system withdrawal zone in which that transmission delivery point is located; and</p> <p>(e) the maximum daily and hourly quantity of the Transmission Customer; and</p> <p>(f) the type of demand of the Transmission Customer; and</p> <p>(g) the time it would take to implement curtailment in respect of that Transmission Customer; and</p> <p>(h) the minimum required pressure at the transmission delivery point</p> <p>(3) The person responsible for providing the information to AEMO under subrule (1) must immediately notify AEMO of a change to the details required under subrule (2) and where possible in advance.</p>
National Gas Rules, rule 339	Directed restriction	<p>(4) A Registered participant must use its reasonable endeavours to ensure that, during an emergency, its Customers act in a manner that enables that Registered participant to comply with all its obligations under this Division</p>
National Gas Rules, rule 343	Directed restriction	<p>(1) If AEMO reasonably considers that a threat to system security is unlikely to subside without intervention, AEMO must intervene in the Market by taking any measures it believes are reasonable and necessary to overcome the threat to system security, including (without limitation) injecting gas from AEMO's LNG reserve or making the following directions under section 91BC of the NGL:</p> <p>(a) curtailment in accordance with the emergency curtailment list, subject to subrule (2);</p> <p>(e) requiring Registered participants to do any reasonable act or thing that AEMO believes necessary in the circumstances.</p>

Version release history

Version	Effective date	Summary of changes
8.0	13 May 2010	The revised guidelines update the references to legal instruments that confer powers to and obligations on AEMO. The Market and System Operating Rules has been replaced by the National Gas Law and National Gas Rules. References to VENCORP become references to AEMO.
7.0	March 2003	

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