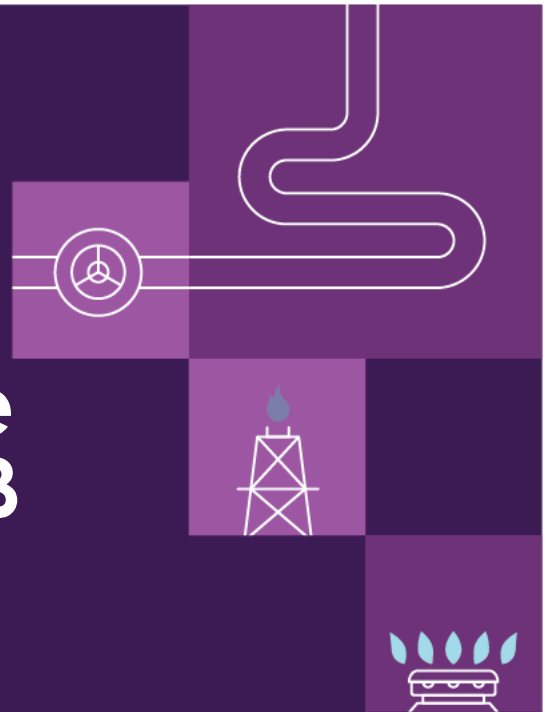




Proposed Procedure Change (PPC) – GBB Procedures amendments for renewable gas



Impacted jurisdiction(s)	All except Western Australia		
Proponent	Luke Stevens	Company	AEMO
Proponent email	Luke.stevens@aemo.com.au		
Affected Gas Market(s)	Gas Bulletin Board (GBB)		
Date proposal published by AEMO	1 July 2024		
Short issue title	Implementation of the AEMC's Hydrogen review in the GBB Procedures		
Procedure(s) or Documentation impacted	GBB Procedures		
Other key contact information	GWCF_Correspondence@aemo.com.au		

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

Australian Energy Market Operator Ltd ABN 94 072 010 327

Proposed Procedure Change – Detailed Report Section

Critical Examination of Proposal

1. Description of issue

1.1. Background.

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

- (a) Jurisdictional officials would review the National Gas Law (NGL), National Energy Retail Law and National Energy Retail Regulations;
- (b) AEMC would review the arrangements in the National Gas Rules (NGR) for hydrogen and renewable gases; and
- (c) AEMO would review its Procedures, including for the Gas Bulletin Board (GBB).

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

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

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

The National Gas Amendment (Other Gases) Rule 2024 commenced 12 March 2024 and were gazetted with the publication of the South Australian Government Gazette dated 21 March 2024¹. The amendments to Part 18 of the National Gas Rules that apply to the Gas Bulletin Board that incorporate renewable gas changes are scheduled to come into effect on 3 March 2025.

¹ See [No. 19 - Thursday, 21 March 2024 \(pp. 473–501\) \(governmentgazette.sa.gov.au\)](#), South Australian Government Gazette no 19, page 495, accessed 22/03/2024.

1.2. How to make a submission

Anyone wanting to make a submission for this Proposed Procedure Change (PPC) consultation stage are requested to use the response template provided in Attachment B. Submissions are due by 5:00 PM 29 July 2024 and should be emailed to GWCF_Correspondence@aemo.com.au.

2. Reference documentation

The following documents are provided in Attachment A and are being consulted on as part of this Procedure change process, including:

- (a) GBB Procedures v13.0 (PPC) (track changes)
- (b) BB Aggregation Methodology v1.3 (PPC) (track changes)
- (c) BB Data Submission Guide v2.1 (PPC) (track changes)
- (d) Guide to Bulletin Board Reports v2.3 (PPC) (track changes)

3. Overview of changes

The marked-up Procedures and Technical Documents changes are provided in Attachment A.

3.1. BB Procedure changes

AEMO has provided the PPC response template for participants to make their submissions in response to this consultation.

The GBB Procedures amendments include:

- (a) an updated template;
- (b) editorial amendments to reflect the terminology of the renewable gas rule changes;
- (c) inclusion of the new BB blend processing facilities and BB blended gas distribution system into the reporting framework;
- (d) a new gas blend and gas blend curtailment report as discussed in section 3.4;
- (e) removal of clause 6.1(b) of the BB Procedures as it was inconsistent with Rule 168(3) as discussed in section 3.5; and

AEMO has identified the specific questions in section 3.3 of this PPC for input by participants.

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

3.2. Technical document changes

AEMO has also amended the following technical documents:

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- BB Aggregation Methodology
 - has been updated to use AEMO’s latest template,
 - has editorial amendments to reflect the terminology of the renewable gas rule changes;
- BB Data Submission Guide
 - has been updated to use AEMO’s latest template;
 - has editorial amendments to reflect the terminology of the renewable gas rule changes;
 - has removed the BB API examples and operational notes which are now published on the AEMO webpage: <https://dev.aemo.com.au/api-details#api=submission-v1&operation=postConnectionPointNameplateRating>; and
 - incorporates the new gas blend and gas blend curtailment submission to meet the reporting requirement as discussed in section 3.4.
- Guide to gas bulletin board reports
 - has been updated to use AEMO’s latest template;
 - editorial amendments to reflect the terminology of the renewable gas rule changes;
 - removed the example reports from the Guide as they are now located in AEMO’s developer portal; and
 - incorporates the new gas blend and gas blend curtailment report as discussed in section 3.4.

3.3. Specific questions for consultation

3.3.1. How should the nameplate capacity of distribution networks be determined?

Rule 144A requires BB blended gas distribution systems to provide nameplate rating information (under Rule 168) which in the context of a distribution system, means the maximum daily capacity of the facility under normal operating conditions.

The operator of a distribution system that transports a gas blend that is subject to a blending limit that has a nameplate rating equal to or more than 10 TJ of gas per day is subject to limited GBB reporting obligations.

AEMO considers that the nameplate rating of a BB blended gas distribution system could be determined in a number of different ways:

- (a) The nameplate capacity for the distribution system is the sum of the gate stations *nameplate capacities* supplying the distribution system during normal operating conditions.
- (b) The nameplate capacity of the distribution system determined and used for the purpose of other regulatory reporting or the distribution access arrangement.
- (c) Another method to be proposed by participants.

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AEMO intends that the approach proposed must be able to be applied consistently to all distribution systems that may be registered on the Gas Bulletin Board.

Question 1: How should the nameplate capacity of distribution systems, required by Rule 144A, be determined?

3.3.2. How should the blend level be calculated?

Rule 190G, introduced by the renewable gas rule changes, requires the operator of a distribution system or transmission pipeline that meets the reporting threshold to report highest, average and lowest daily blend levels. However, the method of measurement is not listed in the Rules and therefore must be clarified in the GBB Procedures.

AEMO notes there is not currently an applicable Australian Standard for gas quality for hydrogen, which would inform the allowable level of hydrogen. This value should be determined by the appropriate Australian Standard and the requirements of jurisdictional regulators.

AEMO notes that Australian Standard AS/NZS 4645 Gas Distribution Networks allows up to 15 percent volume (%vol) hydrogen blend. However, AS4564 General Purpose Natural Gas² applies to both distribution and transmission pipelines has not been updated to incorporate a hydrogen blend standard, which would be expected to apply to the information reported on the Gas Bulletin Board.

AEMO has drafted the following requirement in the BB Procedures section 10.5(c):

The gas blend information, in clause (b), must be provided consistent with industry standard AS/NZS 4645 in %vol terms, or an otherwise defined jurisdictional or industry standard agreed with AEMO.

Question 2: How should the blend level, required by Rule 190G, be measured?

3.4. Gas Blend and Gas Blend Curtailment report

AEMO has, in addition to the requirement of Rule 190G, included in the BB Procedures, BB Data Submission Guide and Guide to gas bulletin board reports, the following optional fields in addition to those required by Rule 190G:

- (a) gas type;
- (b) gas blend limit;
- (c) max gas day (gas day date on which the gas blend high event occurred); and

² AS4564 General Purpose Natural Gas sets out the requirements for providing natural gas, suitable for both transportation and general-purpose use and provides the range of gas properties consistent with safe operation of the natural gas appliances. It specifies general-purpose natural gas, with an emphasis on the safety of the gas for use in natural gas appliances and equipment and for use as fuel in natural gas vehicles.

- (d) min gas day (gas day date on which the gas blend low event occurred).

These additional optional fields are included as Rule 190G allows for any primary gas type (which includes natural gas, hydrogen, biomethane, synthetic methane and anything determined to be a primary gas by a jurisdiction) and gas blend limit to be reported for part of a BB facility.

Examples of a gas blend type that could occur in a part of a BB facility under the existing Rules are:

- (a) natural gas and hydrogen in a part of the BB facility;
- (b) natural gas and biomethane in a part of the BB facility (not required to be reported under Rule 190G); and
- (c) natural gas, synthetic methane and hydrogen (and any other primary gases allowed by a jurisdiction) in a part of the BB Facility.

Depending on the gas type and the jurisdiction's gas quality requirements, this may lead to each part of a BB facility (e.g. a BB pipeline or BB blended distribution system) having a different gas blend and gas blend limit. The intention of these optional fields is to allow the BB facility operator to explain the gas blend and gas blend limit to clarify these differences.

AEMO considers these optional additional requirements would allow the Gas Bulletin Board to account for the different potential sources in primary gases that may need to be reported on the Gas Bulletin Board in future.

3.5. Clarification of Procedure requirement

AEMO has removed clause 6.1(b) of the BB Procedures as it was inconsistent with Rule 168(3) which required nameplate rating information to be provided:

- (a) On registration on the BB facility; and
- (b) Annually, by the date specified in the BB Procedures (31 March).

Therefore, AEMO has deleted clause 6.1(b) which stated: "Without limiting clause (a) where the BB reporting entity does not provide the nameplate rating information for its BB facility, the nameplate rating information for that BB facility will be deemed to be unchanged."

3.6. Transitional requirements for new BB facility types

The new Part 18 Rules and GBB Procedures apply from gas day 3 March 2025. The transitional rule requires:

.... must apply to AEMO to register under new Part 18 as the BB reporting entity for the relevant new Part 18 facility or new facility development project no later than 20 business days after the Part 18 amendments effective date.

AEMO expects all existing and new facilities that will become BB reporting entities under the amended Part 18 Rules to submit a registration to AEMO as BB reporting entities or a new BB

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facility type (if already a BB reporting entity) within the period starting from 3 March 2025 and ending at close of business on 31 March 2025.

4. Likely implementation requirements and effects

This Procedure change extends the coverage of the GBB to include covered gas (e.g., hydrogen and biomethane) as required by the National Gas Amendment (Other Gases) Rule 2024.

5. Impact of issue not proceeding

The consequence for not making the proposed changes will result in the BB Procedures being misaligned with the new Statutes Amendment (National Energy Laws) (Other Gases) Act 2023 and National Gas Amendment (Other Gases) Rule 2024.

6. Overall cost, benefits and magnitude of the changes

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

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

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

Requirement	AEMO’s Preliminary Assessment
Consistency with National Gas Law (NGL) and NGR	AEMO’s view is that the proposed procedure change is consistent with the NGL and NGR as amended in the National Gas Amendment (Other Gases) Rule 2024 changes.
National Gas Objective	It is AEMO’s view that the changes are expected to contribute to the achievement of the NGO by promoting efficient investment in, and efficient operation and use of covered gas services for the long term interests of consumers of covered gas with respect to: a. price, quality, safety, reliability and security of supply of covered gas; and b. the achievement of targets set by a participating jurisdiction – i. for reducing Australia’s greenhouse gas emissions; or

Requirement	AEMO's Preliminary Assessment
	ii. that are likely to contribute to reducing Australia's greenhouse gas emissions.

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

8. Supporting Documentation

The documents can be found in:

- Attachment A – Consultation Documents
 - GBB Procedures and technical document changes
- Attachment B – GBB Technical Specifications
- Attachment C – Request for PPC response

9. Proposed timelines

The expected consultation dates for this procedure change are:

- PPC published: 1 July 2024
- PPC consultation submissions due: 29 July 2024
- IIR publication date: 26 August 2024
- IIR consultation submissions due: 3 October 2024
- Decision published: 31 October 2024
- Effective Date of Procedures: 3 March 2025

Attachment A – GBB Procedures and technical document changes

The following consultation documents are provided in track change format:

- (a) GBB Procedures v13.0 (PPC) (track changes)
- (b) BB Aggregation Methodology v1.3 (PPC) (track changes)
- (c) BB Data Submission Guide v2.1 (PPC) (track changes)
- (d) Guide to Bulletin Board Reports v2.3 (PPC) (track changes)

Attachment B – GBB Technical Specifications

AEMO will be publishing a GBB Technical Specifications periodically as part of the project implementation. The GBB Technical Specification will be published in parallel to the rules required consultation on the GBB Procedures and technical documents listed in Attachment A and will detail the IT system change process for the GBB.

The GBB Technical Specifications will be published on AEMO’s webpage: [IT change and release management](#) under the heading “Gas Markets and Systems” under the “Gas Bulletin Board (GBB)” heading.

This GBB technical specification will be the primary communication forum for GBB IT releases for this rule change. These changes notifications are sent to Gas Wholesale Consultative Forum contacts.

Attachment C – Request for PPC response

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

- Section 1 seeks general feedback on the Procedure changes;
- Section 2 seeks feedback on specific questions asked in this consultation;
- Section 3 seeks specific drafting proposals for the Procedure change.

The process to make a submission is outlined in section 1.2.