

IMPACT AND IMPLEMENTATION REPORT – SUMMARY SECTION

Reference Number	BB IIR 14-001		
Impacted Jurisdiction (s)	NSW, QLD, SA, VIC, TAS		
Proponent	Rebecca Denton	Company	AEMO
Affected Gas Markets(s) <ul style="list-style-type: none"> ▪ Retail ▪ Wholesale ▪ Bulletin Board ▪ STTM 	Bulletin Board (BB)	Consultation process (Ordinary or Expedited)	Ordinary
Industry Consultative forum(s) used	Gas Wholesale Consultative Forum	Date Industry Consultative forum(s) consultation concluded	10 October 2014
Short Description of change(s)	The proposed changes to the BB Procedures are to: <ul style="list-style-type: none"> • Implement Short and Medium Term Capacity Outlooks; • Reflect changes as a result of BB website re-development; and • Implementation of Gas Supply Hub Trayport data for Capacity Listing. 		
Procedure(s) or Documentation impacted	BB Procedures version 2		

<p>Summary of the change(s)</p>	<p>The proposed changes are as follows.</p> <ul style="list-style-type: none"> • Short- and medium-term capacity outlook: the Procedures will reflect changes to chapter 18 of the National Gas Rules to extend the 3-day Capacity Outlook for BB facilities to 7 days. BB facility operators will submit Medium-term Capacity outlooks for their BB Facilities to AEMO for publication on the BB website. • BB website re-development: A number of changes are to be implemented to the Procedures to reflect improvements made to the BB as part of phase 1 re-development, including new data submission options for BB users and improved data presentation in the BB reports, as well as the simplification of the Emergency Information Page. • Gas Supply Hub Trayport data for Capacity Listing: As part of the BB website re-development, the BB will now publish notifications of participants advertising or seeking Spare Capacity and Gas Available for purchase, which are listed on the Gas Supply Hub (GSH) Capacity Gas Listing page, through the Trayport application. The listed capacity and gas which is sought or available will be publicly available on the BB website. BB users who wish to post a listing must register as a viewing participant on the GSH. • Emergency Information Page: The BB Procedures will be simplified to reflect the information required to be in the Procedures by Division 7, Chapter 18 of the NGR. 		
<p>I&IR Prepared By</p>	<p>Rebecca Denton</p>	<p>Approved By</p>	<p>Louis Tirpcou</p>
<p>Date I&IR published</p>	<p>15 October 2014</p>	<p>Date Consultation under 135EE or 135EF concludes</p>	<p>12 November 2014</p>
<p>Contact address for written responses</p>	<p>Rebecca Denton Senior Market Analyst, Operations Australian Energy Market Operator Ltd GPO Box 2008, Melbourne, VIC 3001</p>		
<p>Email Address for Responses</p>	<p>Rebecca.Denton@aemo.com.au</p>		
<p>Other key contact information</p>	<p>gbb_redevelopment@aemo.com.au; GWCF_Correspondence@aemo.com.au</p>		

IMPACT & IMPLEMENTATION REPORT – DETAILED REPORT SECTION

CRITICAL EXAMINATION OF PROPOSAL

1. Description of change(s) and reasons for change(s)

Short- and medium-term capacity outlook: in November 2013, AEMO proposed a rule change to chapter 18 of the National Gas Rules, seeking to increase the Short-term Capacity Outlook provided by BB Facility Operators from three to seven days, and to implement a new Medium-term Capacity Outlook to use existing maintenance reports created and provided by facility operators to their shippers. The Australian Energy Market Commission (AEMC) made the final rule on 1 May 2014, for implementation 8 January 2015.

AEMO proposes to amend section 5.4 of the current STTM Procedures to update the 3-day capacity outlook to a 7-day short term outlook (and to change the report name from '*3-day capacity outlook*' to '*short term capacity outlook*' throughout the Procedures), and to include a new medium-term capacity outlook in the Procedures.

BB website re-development: the BB website re-development is being undertaken at the request of the COAG Energy Council (Energy Council). The Energy Council's request recommended improvement of the BB interface to better present and improve the discoverability of existing BB data.

AEMO proposes to amend the BB Procedures to reflect these changes.

Gas Supply Hub Trayport data for Capacity Listing: in addition to recommending changes to the BB website, the Energy Council has requested that AEMO implement an eastern gas market capacity listing service. In response, AEMO is incorporating the capacity listing facility from the GSH on the BB website as part of phase 1. The GSH capacity listing service is accessible through the Trayport application.

The BB website will publicly list any capacity/gas listed on the GSH listing page. To list any sought or spare capacity or gas, a BB user must be a member of the GSH. Gas/capacity offered is not limited to the trading locations on the GSH.

AEMO proposes to amend section 6 of the BB Procedures to reflect these changes.

Emergency Information Page:¹ The BB Procedures will be simplified to reflect the information required by Division 7, Chapter 18 of the NGR. AEMO proposes to amend section 9 of the BB Procedures to reflect these changes.

¹ Please note, AEMO intends to submit a rule change later this year to amend the Emergency Information Page requirements on the BB website.

<p>2. Reference documentation</p>	<p>BB Procedures v2.0 National Gas Rules – Chapter 18 Gas Supply Hub Exchange Agreement</p>
<p>3. The high level details of the change(s) to the existing Procedures</p>	<p>The proposed changes to the BB Procedures will result in changes to:</p> <p>Section 5.4: this section will be updated to change the 3-day capacity outlook to the short-term capacity outlook, which will be a 7-day outlook.</p> <p>Section 5: a new sub-section will be added for medium term capacity outlook to be listed.</p> <p>Section 6: this section will be updated to reflect incorporation of the capacity and gas listing facility with the GSH capacity gas listing page, which is accessed through the Trayport application.</p> <p>Section 9: this section will be simplified to reflect the information required to be published in the BB Procedures by the NGR.</p> <p>Webform data submission: changes to the BB website enabling data submission with a webform have been incorporated throughout the Procedures.</p> <p>Graphical display of reports: changes to the BB website enabling graphical display and download of BB data, have been incorporated throughout the Procedures.</p> <p>Polling times of BB data: changes to the BB website data processing and publishing time of updated data have been incorporated throughout the Procedures.</p> <p>A marked up version of the BB Procedures is provided on the AEMO consultations webpage for this Procedure change.</p> <p>Note: The BB website user guide and BB reports documentation will be updated to reflect the changes to the BB website.</p>
<p>4. Explanation regarding the order of magnitude of the change</p>	<p>Market impact: AEMO considers the capacity outlook Procedure changes to be material as they will require BB facility operators to provide more capacity outlook data, which may require updates to their reporting systems. AEMO considers the proposed changes to the website, capacity listing and Emergency Information Page immaterial for the following reasons:</p> <ul style="list-style-type: none"> • the website re-development will not affect the current data submission mechanisms (via CSV submission and FTP) but will add a new mechanism, which can be used as an alternative data submission method. • The capacity and commodity listing service will use current GSH Trayport functionality. <p>Implementation impact: the changes proposed to the BB Procedures require changes to the BB website to enable the new capacity outlook requirements. These changes have been made as part of the BB website re-development project.</p> <p>The requirement to submit short-term capacity outlooks for 7 days may require an update to participants' reporting systems. The other changes (webform data submission and GSH Trayport for capacity and gas listings) only provide additional functionality and, as such, their impact will only be taken on voluntarily (for example, if a user chooses to submit data via webform).</p>

ASSESSMENT OF LIKELY EFFECT OF PROPOSAL

<p>5. Overall Industry Cost / benefit (tangible / intangible / risk) analysis and/or cost estimates</p>	<p>Short- and medium-term capacity outlook</p> <p>Collecting and publishing 7-day Short-term and Medium-term Capacity Outlooks will enable all market participants and interested parties to access the same information in similar timeframes and with sufficient time to take action as needed to manage their market risks.</p> <p>AEMO examined the costs and benefits to industry in the proposal for this rule-change.²</p> <p>BB website re-development and Gas Supply Hub Trayport data for Capacity Listing</p> <p>The BB website re-development is being undertaken at the request of the COAG Energy Council. The Energy Council's request recommended that the BB website interface be improved to better present and improve the discoverability of existing BB data and that a transmission capacity listing service for the eastern gas market be implemented on the BB website. The benefit to the market of re-development is the improved website interface, more interactive map and ability to access data more easily.</p> <p>A pipeline transmission capacity listing page is already available on the GSH. AEMO is leveraging off the existing Trayport capacity listing interface to provide a single publicly-available capacity and commodity listing service for the eastern gas market</p> <p>Emergency Information page</p> <p>Simplifying this Procedure will better align with the current National Gas Rules. AEMO does not believe the market will incur any costs associated with this change.</p>
<p>6. The likely implementation effect of the change(s) on stakeholders (e.g. industry or end-users)</p>	<p>The implementation effects of the proposal on AEMO are:</p> <ul style="list-style-type: none"> • BB website re-development and the addition of a commodity product on the capacity listing page in the GSH Trayport application. • Updates to the BB Procedures and website documentation are required. <p>The implementation effects of the proposal on Trading Participants are:</p> <ul style="list-style-type: none"> • The need to update systems and processes to increase Short Term Capacity Outlook submissions from 3 days to 7 days. • The option to update processes to include data submission through webform on BB website. • In order to make a capacity or commodity listing, a BB user must be a member of the GSH and make such a listing via the GSH Trayport application.
<p>7. Testing requirements</p>	<p>AEMO is required to undergo system and UAT testing for both the Capacity Outlook changes and the website re-development changes.</p> <p>Affected participants will need to make their own assessment of their individual testing requirements for submission of capacity outlook data, and using the BB webform for data submission.</p>

² <http://www.aemc.gov.au/getattachment/ca40b17b-8e37-4511-9c0e-1c12a0851943/Rule-change-request.aspx>

<p>8. AEMO's preliminary assessment of the proposal's compliance with section 135EB:</p> <ul style="list-style-type: none"> - consistency with NGL and NGR, - regard to National Gas Objective - regard to any applicable access arrangements 	<p><u>Consistency with NGL and NGR</u></p> <p>AEMO's view is that the proposed changes described in this document are consistent with the National Gas Law (NGL) and the National Gas Rules (NGR).</p> <p><u>National Gas Objective (NGO)</u></p> <p><i>"Promote efficient investment in, and efficient operation and use of, natural gas services for the long term interests of consumers of natural gas with respect to price, quality, safety, reliability and security of supply of natural gas."</i></p> <p>Short- and medium-term capacity outlook</p> <p>AEMO considers that the proposed Procedure-changes to Short- and Medium-term Capacity Outlook data promote efficiency of operation of wholesale gas markets and gas facilities through improved market information on upcoming capacity changes. This will allow market participants access to more information in a timely manner, promoting more efficient market and pricing outcomes.</p> <p>Where market participants can better manage their exposure to wholesale gas markets through early identification of upcoming capacity issues at operational facilities, they will be better placed to manage risk and compete more efficiently. This, in turn, may contribute to lower prices.</p> <p>BB website re-development and Gas Supply Hub Trayport data for capacity listing</p> <p>AEMO considers the proposed BB Procedure-changes contribute to the NGO through the improved accessibility of information. Greater accessibility of information through BB website re-development is expected to enhance transparency of gas market information, thereby promoting more informed and efficient pricing and investment decisions.</p> <p>The capacity and commodity listing service promotes the efficient operation and use of natural gas services, by encouraging secondary trade of gas and capacity in the east coast gas market</p>
<p>9. Consultation Forum Outcomes</p> <p>(e.g. the conclusions made on the change(s) whether there was unanimous approval, any dissenting views)</p>	<p>The proposed changes were discussed at a consultation teleconference on 10 October 2014. Comments were received in this consultation in relation to the archiving of monthly CSV data after a two year period. It was clarified that all data can be queried through the reports pages, this data will not be archived.</p> <p>Other comments pointed out some inconsistency where some sections that detailed file submission did not include the new webform facility. The drafted procedures have been updated to amend this.</p>

RECOMMENDATION(S)	
<p>10. Should the proposed Procedures be made, (with or without amendments)?</p>	<p>AEMO recommends that the proposed Procedure-changes, which are provided on the consultation webpage for this Procedure-change, be made without amendments.</p>
<p>11. If applicable, a proposed effective date for the proposed change(s) to take effect and justification for that timeline.</p>	<p>AEMO proposes an effective date of 11 December 2014.</p> <p>In accordance with rule 135EE(5) of the NGR, 15 business days prior to the effective date, AEMO will publish a notice specifying the exact date on which the proposed new Procedures come into effect.</p>