

IMPACT & IMPLEMENTATION REPORT – SUMMARY SECTION
(For AEMO to complete and administer)

Issue Number	IN038/16		
Impacted Jurisdiction (s)	NSW/ACT		
Proponent	Nandu Datar	Company	AEMO
Affected Gas Markets(s) <ul style="list-style-type: none"> ▪ Retail ▪ Wholesale ▪ Bulletin Board ▪ STTM 	Retail Gas	Consultation process (Ordinary or Expedited)	Expedited
Industry Consultative forum(s) used	GRCF	Date Industry Consultative forum(s)consultation concluded	
Short Description of change(s)	Align the requirements in clause of 8.12.1 of the AEMO NSW Retail Market Procedures with the delivery of market reports generated by the NSW RMO system (GRMBS).		
Procedure(s) or Documentation impacted	Retail Market Procedures (NSW/ACT)		
Summary of the change(s)	<p>It is proposed that the User's Apportionment Percentage value, item (iii) be removed from clause 8.12.1(a), thereby removing the requirement for the report to be delivered to the User by 11am.</p> <p>The Apportionment Percentage value will be delivered to participants daily after the delivery of the STTM NAD file with the other reports defined in 8.12.1(d) and would comply with the requirement in 8.12.1(d) that the information would be current as at the time and date that the data is provided.</p>		
I&IR Prepared By	Nandu Datar	Approved By	Ruth Guest
Date I&IR published	10 January 2017	Date Consultation under 135EE or 135EF concludes	31 January 2017
Contact address for written responses	Nandu Datar, Australian Energy Market Operator, GPO Box 2008, Melbourne VIC 3001		
Email Address for Responses	grcf@aemo.com.au		
Other key contact information	Nandu.datar@aemo.com.au		

IMPACT & IMPLEMENTATION REPORT – DETAILED REPORT SECTION

CRITICAL EXAMINATION OF PROPOSAL

<p>1. Description of change(s) and reasons for change(s)</p>	<p>This proposal emerged as a result of the 2016 audit finding that stated that Apportionment Percentage Report was not provided to participants in accordance with the Procedures.</p> <p>Background</p> <p>Clause 8.12.1(a) requires AEMO to provide STTM Users with the following information by 11am daily.</p> <ol style="list-style-type: none"> i. The User’s STTM distribution system allocation ii. Each component of the User’s distribution system allocation iii. The User’s apportionment percentage iv. Metering data for all daily meter points for which they are responsible. <p>The above four items were to be provided as part of the STTM report deliverables for the RMO daily calculations of the STTM distribution system allocations and were required to be delivered by 11am daily.</p> <p>However, around the go-live time of the STTM in 2010, a decision was made to remove item (iii) the User’s apportionment percentage from the ERFTDailyToUserRpt (2210) and to provide it in a separate report the ERFTApportionmentPercentageRpt (2195).</p> <p>The ERFTApportionmentPercentageRpt provides not only the previous gas day’s apportionment percentage value but also historical values for the previous 365 days.</p> <p>The Daily Apportionment Percentage report, Metering data and Daily NSL reports are listed in clause 8.12.1(d). These reports are being provided to participants after the generation of the STTM NAD file, which is required to be delivered by 11am, and as such on most days they are delivered by 11am.</p>
<p>2. Reference documentation</p> <ul style="list-style-type: none"> ▪ Procedure Reference ▪ GIP/Specification Pack Reference ▪ Other Reference 	<p>Retail Market Procedures (NSW/ACT)</p>

<p>3. The high level details of the change(s) to the existing Procedures</p> <p>This includes:</p> <ul style="list-style-type: none"> ▪ A comparison of the existing operation of the Procedures to the proposed change to the operation of the Procedures ▪ A marked up version of the Procedure change (see Attachment A) 	<p>It is proposed that the User's Apportionment Percentage value, item (iii) be removed from clause 8.12.1(a), thereby removing the requirement for the report to be delivered to the User by 11am.</p> <p>The Apportionment Percentage value will be delivered to participants daily after the delivery of the STTM NAD file with the other reports defined in 8.12.1(d) and would comply with the requirement in 8.12.1(d) that the information would be current as at the time and date that the data is provided.</p>
<p>4. Explanation regarding the order of magnitude of the change</p> <p>(eg: material, non-material or non-substantial)</p>	<p>Based on the advice provided to AEMO by CGI via Discussion Paper and AEMO's own assessment is that no changes required to the NSW/ACT retail market IT systems and process.</p> <p>AEMO envisages no change to participant IT systems as a result of implementing this change.</p> <p>Taking into account the above, the order of magnitude for a change of this nature is non-material.</p>

ASSESSMENT OF LIKELY EFFECT OF PROPOSAL

<p>5. Overall Industry Cost / benefit (tangible / intangible / risk) analysis and/or cost estimates</p>	<p>This initiative will require minor changes to Retail Market Procedures (NSW/ACT) only.</p> <p>The change is driven by 2016 audit finding that Daily Net Section Load and Apportionment Percentage Reports were not provided to participants in accordance with the Procedures</p>
<p>6. The likely implementation effect of the change(s) on stakeholders</p> <p>(e.g. Industry or end-users)</p>	<p>AEMO has not identified any market or participant impact resulting from implementing the proposed changes. It is intended that there will be no system or business process impacts as a result of the proposed changes.</p>
<p>7. Testing requirements</p>	<p>None identified</p>
<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 NSW/ACT RMP changes is consistent with the NGL and cover matters that the RMP may deal with under Section 135EA(1) of the NGR.</p> <p><u>National Gas Objective</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>It is AEMO's view that the proposed changes described in this IIR will assist to facilitate the efficient operation of the retail gas market in NSW-ACT, and are in the long-term interests of consumers as it promotes retail competition.</p> <p><u>Applicable Access Arrangements</u></p> <p>AEMO's view is that the proposed changes in this IIR are not in conflict with existing Access Arrangements. The Distributor did not raise concerns with the proposed amendments in relation to their Access Arrangement.</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 GRCF is a standing forum for providing effective and efficient consultation with stakeholders on development of the VIC, QLD, SA and NSW/ACT Gas Retail Markets.</p> <p>The issue in the form of 'Discussion Paper' was first discussed at the GRCF meeting held on 8 Nov 2016. GRCF Participants were requested to provide feedback to the paper by 5 Dec 2016. AEMO received feedback from OE who supported the change. AEMO also received feedback from AGL. AGL feedback noted that there is also an obligation on AEMO to provide the Users apportionment percentage in clauses 8.12.1(c) however unlike cl 8.12.1 (a) this clause does not have clear delivery times but rather has delivery by agreement. AGL requested AEMO to</p>

provide some clarity on how participants will be assured that this data is provided within reasonable period on gas day+1. Further AGL also suggested that given the reporting requirements are repeated across the clauses in 8.12.1 that consideration be given to consolidating the timing and obligation of those reports within clause 8.12. Having considered AGL's feedback, AEMO provided the following response back to AGL.

"AEMO supports AGL's view about specifying timing for provision of the reports. Following analysis of Retail Market Procedures (NSW/ACT) and Participant Build Pack 5 AEMO has identified the need for consistency in specifying timing for provision of reports. As already pointed out in AGL's feedback, the timing is not specified against all reports. AEMO intends to address this issue separately.

AEMO has also reviewed AGL's feedback about consolidation of reports and have identified that clause 8.12.1 (a) applies to initial calculation and 8.12.1 (c) applies to recalculation of the same reports. Clause 8.12.1 (d) refers to other reports with 8.12.1 (d) (iv) metering data repeated. We are proposing to remove the clause 8.12.1 (d) (iv)."

RECOMMENDATION(S)	
10. Should the proposed Procedures be made, (with or without amendments)?	AEMO recommends that the changes be made as proposed in attachment A with amendments as per the consultation forum outcome (see item 9 above).
11. If applicable, a proposed effective date for the proposed change(s) to take effect and justification for that timeline.	<p>Subject to all necessary approval's AEMO is targeting to implement this change in February 2017.</p> <p>To achieve this AEMO proposes expedited consultation with the following timeline:</p> <p>Issue IIR on 10 January 2017</p> <p>Submission on IIR close 31 January 2017</p> <p>AEMO decision 14 February 2017</p>

ATTACHMENT A

Proposed changes: RETAIL MARKET PROCESURES (NSW/ACT)

~~Red strikeout~~ means delete and
blue underline means insert

8.12 AEMO to Provide Information (STTM Network Sections)

8.12.1 AEMO to Notify User

- (a) By 11.00 am on *gas day +1*, AEMO must notify each *User* in a *network section* of the following information for that *network section* for the *gas day*:
- (i) the *User's STTM distribution system allocation*;
 - (ii) each component of the *User's STTM distribution system allocation*;
 - ~~(iii) the *User's apportionment percentage*; and~~
 - ~~(iv)~~(iii) *metering data* for all *daily metered delivery points* for which the *User* is responsible.
- (d) AEMO will provide to a *Participant* information related to:
- (i) *net section load*;
 - (ii) *apportionment percentage*;
 - (iii) *non-daily metered delivery points*;
 - ~~(iv) *metering data*;~~
 - ~~(v)~~(iv) *energy values* for those active *non-daily metered delivery points*; and
 - ~~(vi)~~(v) *total injection data*.

The format and timing of this report will be agreed by AEMO in consultation with *Participants* and the information would be current as at the time and date that the data is provided.