

Amendment to Schedule 2 – GBB Zones
(GRC_2017_01)

Final Rule Change Report

27 December 2017

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1. Rule Change Process and Timeline

On 23 November 2017, the Australian Energy Market Operator (AEMO) submitted a Rule Change Proposal seeking amendments to Schedule 2 of the Gas Services Information (GSI) Rules.

This proposal was processed using the Fast Track Rule Change Process, described in Rule 131 of the GSI Rules.

The timelines for progressing this proposal are:



The Rule Change Panel's final decision is to accept the Rule Change Proposal. The detailed reasons for the Rule Change Panel's decision are set out in section 5 of this report.

All documents related to this Rule Change Proposal can be found on the Rule Change Panel's website: <https://www.erawa.com.au/rule-change-panel/gsi-rule-changes/rule-change-grc-2017-01>.

2. Proposed Amendments

2.1 The Rule Change Proposal

The Rule Change Proposal expands the definition of the Dampier Zone in Schedule 2 of the GSI Rules to include the Wheatstone Ashburton West Pipeline (WAWP).

Background

Schedule 2 of the GSI Rules specifies the Zones for which information is published on the Gas Bulletin Board (GGB). The Zones include specified Transmission Pipelines (or parts of Transmission Pipelines) and all Receipt Points and Delivery Points connected to those pipelines (or parts of pipelines). The Transmission Pipelines specified in Schedule 2 include:

- those that were operational at the commencement of the GSI Rules; and
- the Fortescue River Gas Pipeline (resulting from Rule Change GRC_2015_01).

Wheatstone Ashburton West Pipeline

The WAWP¹ commenced operation in March 2015. The WAWP links the Chevron-operated Wheatstone domestic gas plant to the Dampier to Bunbury Natural Gas Pipeline (DBNGP).

The WAWP is currently exempt from the requirement to be a Registered Facility— it was exempted because, until recently, it only delivered natural gas to a single Receipt Point on a single GBB Pipeline (the DBNGP), so it met the Exemption Criteria for Transmission Pipelines specified in rule 44(2) of the GSI Rules.

¹ The WAWP is comprised of a 10 and 16 inch pipeline that are looped. These two looped pipelines are considered to be one lateral.

Tubridgi Storage Facility

In August 2017, AEMO received an application to register the Tubridgi Storage Facility. The Tubridgi Storage Facility is connected to the WAWP and commenced operation in September 2017. The Tubridgi Storage Facility does not meet the Exemption Criteria for Storage Facilities specified in rule 45(2) of the GSI Rules, so it is required to be a Registered Facility under rule 22 of the GSI Rules.

This Rule Change Proposal

The Tubridgi Storage Facility registration application raises the following issues:

- To be registered as a GBB Storage Facility, the Tubridgi Storage Facility must be connected to a GBB Pipeline.
- To be connected to a GBB Pipeline, the Tubridgi Storage Facility requires a Receipt Point and a Delivery Point to be associated with the WAWP. As a result, the WAWP will no longer meet the Exemption Criteria for Transmission Pipelines specified in rule 44(2) of the GSI Rules, so AEMO intends to revoke the Exemption under rule 48 of the GSI Rules.
- To be registered as a GBB Pipeline, the WAWP must be allocated to a Zone for the purposes of the GSI Rules, including the map published on the GBB under rule 91 of the GSI Rules.

For full details of the Rule Change Proposal please refer to the Rule Change Panel's website: <https://www.erawa.com.au/rule-change-panel/gsi-rule-changes/rule-change-grc-2017-01>.

2.2 The Rule Change Panel's Initial Assessment of the Proposal

The Rule Change Panel decided to progress the Rule Change Proposal based on its preliminary assessment that the proposal is consistent with the GSI Objectives.

The Rule Change Panel decided to progress the Rule Change Proposal using the Fast Track Rule Change Process, described in rule 131 of the GSI Rules, on the grounds that the proposed changes are urgently required and are essential for the effective operation of the GBB, and therefore satisfies the criteria in rule 131(2) of the GSI Rules.

- 131(2) *The Rule Change Panel may decide to progress a Rule Change Proposal under the Fast Track Rule Change Process if, in the opinion of the Rule Change Panel, the proposal:*
- (a) *is of a minor or procedural nature;*
 - (b) *is required to correct a manifest error; or*
 - (c) *is urgently required and is essential for the effective operation of the GBB.*

2.3 Protected Provisions, Reviewable Decisions and civil penalties

This Rule Change does not propose any new or amended Protected Provisions, Reviewable Decisions or civil penalty provisions.

3. Consultation

3.1 The Gas Advisory Board

The issue was discussed at the Gas Advisory Board (GAB) meeting on 20 September 2017. Subsequently, a pre-Rule Change Proposal was developed and distributed to GAB members on 30 October 2017 with the subsequent feedback being incorporated for a formal Rule Change submission.

3.2 Submissions Received During the Consultation Period

The consultation period for this Rule Change Proposal was held between 27 November 2017 and 18 December 2017.

No requests to be consulted were received by the deadline, and no submissions were received by the Rule Change Panel during the Consultation Period.

3.3 Public Forums and Workshops

No public forums or workshops were held in regard to this Rule Change Proposal.

3.4 Consultation with the AEMO

The Rule Change Panel consulted with AEMO to obtain the costs and the practical implications of implementing this Rule Change Proposal as well as a preferred commencement date. These factors were considered by the Rule Change Panel and are detailed in Part 4.2 and Part 6.1 respectively.

4. The Rule Change Panel's Final Assessment

In preparing its Final Rule Change Report, the Rule Change Panel must assess the Rule Change Proposal in light of rules 127 and 128 of the GSI Rules. Rule 127 specifies that the Rule Change Panel “must not make Amending Rules unless it is satisfied that the Rules, as proposed to be amended or replaced, are consistent with the GSI Objectives”.

Additionally, rule 128 states, when deciding whether to make Amending Rules, the Rule Change Panel must have regard to the following:

- any applicable statement of policy principles given to the Rule Change Panel under rule 126;
- the practicality and cost of implementing the Rule Change Proposal;
- the relevant views expressed in any submissions received by the Rule Change Panel on the Rule Change Proposal;
- the relevant views expressed at any public forums or workshops, or in other consultation with Gas Market Participants, held by the Rule Change Panel on the Rule Change Proposal;
- the relevant views expressed by the Gas Advisory Board where it met to consider the Rule Change Proposal; and
- any information that the Rule Change Panel considers necessary to assess the Rule Change Proposal.

When making its final decision, the Rule Change Panel has had regard to each of the matters identified in Rules 127 and 128 of the GSI Rules as follows.

- The Rule Change Panel notes that there has not been any applicable statement of policy principles from the Minister in respect of this Rule Change Proposal.
- The Rule Change Panel's assessment of the practicality and cost of implementing the Rule Change Proposal is available in section 4.2 of this report.
- There were no submissions received in respect of his report, as described in section 3.2 of this report.
- There were no public forums, workshops or other consultations held by the Rule Change Panel, as stated in section 3.3 of this report.
- The Gas Advisory Board did not discuss the Rule Change Proposal, but the pre-Rule Change Proposal was developed with Gas Advisory Board members described in section 3.1 of this report.

- The Rule Change Panel did not require any further necessary information to assess this Rule Change Proposal.

The Rule Change Panel's assessment is outlined in the following sections.

4.1 GSI Objectives

The Rule Change Panel considers that the proposed amendment will update the GSI Rules to ensure the effective operation of the GBB, and is consistent with the GSI Rules Objectives. Updating the GBB to reflect the WAWP is consistent with the GSI Rules Objective of efficient operation and use of natural gas services in the State.

4.2 Practicality and Cost of Implementation

4.2.1 Cost

The costs associated with the necessary changes to the GBB are minor and can be accommodated within AEMO's existing budget.

4.2.2 Practicality

AEMO will be required to make changes to the GBB system to reflect the amendment to the GBB Zones and add the new pipeline to the GBB map and topology.

The Tubridgi Gas Storage Facility, any Large User Facilities connected to the pipeline, and any new Shippers on the pipeline will be required to register with AEMO and comply with the relevant obligations under the GSI Rules.

5. The Rule Change Panel's Decision

The Rule Change Panel's final decision is to accept the Rule Change Proposal as proposed.

5.1 Reasons for the Rule Change Panel's Decision

The Rule Change Panel has made its decision on the basis that:

- the Amending Rules correct the GSI Rules to ensure the effective operation of the GBB;
- the Amending Rules are consistent with the GSI Objectives;
- the pre-Rule Change Proposal was created in consultation with the GAB; and
- the Amending Rules impose no significant cost on the market.

6. Amending Rules

6.1 Commencement

The amendments to the GSI Rules resulting from this Rule Change Proposal will commence as follows:

- amendment to Schedule 2 at **8:00am on 3 January 2018**.

6.2 Amending Rules

The Rule Change Panel has determined to implement the following Amending Rules (~~deleted text~~, added text):

Commencement at 8:00am on 3 January 2018 (marked up against the current GSI Rules)

Schedule 2 - Zones

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Zone Name	Description
Dampier	The Dampier to Bunbury Natural Gas Pipeline (DBNGP) upstream of Compressor Station 7 (CS7) and the Burrup Extension Pipeline <u>and the Wheatstone Ashburton West Pipeline (WAWP)</u> .
Metro	The DBNGP from CS7 to CS10.
Parmelia	The Parmelia Gas Pipeline.
South West	The DBNGP downstream of CS10.
Karratha	The Pilbara Energy Pipeline.
Telfer	The Telfer Pipeline and Nifty Lateral Pipeline.
Pilbara	The Goldfields Gas Pipeline (GGP) upstream of and including the Delivery Point connecting the GGP to the Newman Lateral and the Fortescue River Gas Pipeline.
Goldfields	The GGP downstream of the Newman Lateral to, and including, the Leonora Delivery Point.
Mid-West	The Midwest Pipeline.
Kalgoorlie	The GGP downstream of the Leonora Delivery Point and the Kalgoorlie to Kambalda Interconnect Pipeline.