

Gas Services Information Rule Change Notice: Amendment to Schedule 2 – GBB Zones (GRC_2017_01)

This notice is given under Rule 129 of the Gas Services Information (GSI) Rules.

Submitter: Martin Maticka, AEMO

Date submitted: 23 November 2017

The Rule Change Proposal

The AEMO proposes to amend the GSI Rules, via the Fast Track Change Process, to address an issue that is urgently required and is essential for the effective operation of the Gas Bulletin Board (GBB). In particular, the proposal is to amend Schedule 2 of the GSI Rules to expand the Dampier Zone to include the Wheatstone Ashburton West Pipeline, based on the location of the end users of the pipeline, which includes the Tubridgi Storage Facility that has already commenced operations but cannot be registered. Allowing this Rule change will ensure that the flows on the pipeline are correctly reported and reflected on the GBB.

Appendix 1 contains the Rule Change Proposal and gives complete information about:

- the proposed amendments to the GSI Rules;
- relevant references to the GSI Rules and any proposed specific amendments to those clauses; and
- the submitter's description of how the proposed amendments would allow the GSI Rules to better address the GSI Objectives.

Decision to Progress the Rule Change Proposal

The Rule Change Panel has decided to progress this Rule Change Proposal on the basis that its preliminary assessment indicated that the proposal is consistent with the GSI Rules Objectives and should form part of the Fast Track Change Process.

Timeline

This Rule Change Proposal will be progressed 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 is essential for the effective operation of the GBB and therefore the proposal satisfies the criteria in Rule 131(2)(c) 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.*

The projected timelines for progressing this proposal are:



Call for Submissions

Any Rule Participant wishing to be consulted regarding this Rule Change Proposal is invited to notify the Rule Change Panel within 5 Business Days of the Rule Change Notice publication date (**notify by 4 Dec 2017**).

The consultation period is 15 Business Days from the Rule Change Notice publication date. Submissions must be delivered to the RCP Secretariat by **5:00 PM on Monday, 18 December 2017**.

The Rule Change Panel prefers to receive submissions by email, using the submission form available at: <https://www.erawa.com.au/rule-change-panel/make-a-rule-change-submission> sent to rcp.secretariat@rcpwa.com.au.

Submissions may also be sent to the Rule Change Panel by post, addressed to:

Rule Change Panel
Attn: Executive Officer
C/o Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849

APPENDIX 1:

Gas Services Information Rule Change Proposal

Rule Change Proposal ID: GRC_2017_01
Date received: 23 November 2017

Change requested by:

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Organisation:	AEMO
Address:	152 St Georges Terrace, Perth WA 6000
Date submitted:	23/11/2017
Urgency:	High
Rule Change Proposal title:	Amendment to Schedule 2 – GBB Zones
GSI Rule(s) affected:	Schedule 2

Introduction

Rule 129 of the Gas Services Information (GSI) Rules provides that any person may make a Rule Change Proposal by completing a Rule Change Proposal Form that must be submitted to the Rule Change Panel.

This Rule Change Proposal can be sent by:

Email to: rcp.secretariat@rcpwa.com.au

Post to: Rule Change Panel
Attn: Executive Officer
C/o Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849

The Rule Change Panel will assess the proposal and, within 5 Business Days of receiving this Rule Change Proposal Form, will notify you whether the Rule Change Proposal will be further progressed.

In order for the proposal to be progressed, all fields below must be completed and the change proposal must explain how it will enable the GSI Rules to better contribute to the achievement of the GSI Objectives.

The objectives are to promote the long term interests of consumers of natural gas in relation to:

- (a) the security, reliability and availability of the supply of natural gas in the State;
- (b) the efficient operation and use of natural gas services in the State;
- (c) the efficient investment in natural gas services in the State; and
- (d) the facilitation of competition in the use of natural gas services in the State.

Details of the Proposed Rule Change

1. Describe the concern with the existing GSI Rules that is to be addressed by the proposed rule change:

Issue

In this Rule Change Proposal, terms that are capitalised but not defined have the meaning in the GSI Rules.

Background

Schedule 2 of the GSI Rules specifies the Zones for which information is published on the Gas Bulletin Board (**GBB**). 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 are those that were operational at the commencement of the GSI Rules and (as a result of the Amending Rules resulting from Rule Change Proposal GRC_2015_01) the Fortescue River Gas Pipeline.

Wheatstone Ashburton West Pipeline

The Wheatstone Ashburton West Pipeline¹ (**WAWP**) 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. The basis for the Exemption (granted in February 2015) was that the WAWP would only deliver natural gas to a single Receipt Point on a single GBB Pipeline (the DBNGP) and, therefore, met the Exemption Criteria for Transmission Pipelines specified in rule 44(2) of the GSI Rules.

Tubridgi Storage Facility

In August 2017, the Australian Energy Market Operator (**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 and, therefore, is required to be a Registered Facility under rule 22 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.

This Rule Change Proposal

The Tubridgi Storage Facility registration application raises the following issues:

- The Tubridgi Storage Facility (in order to be registered as a GBB Storage Facility) must be connected to a GBB Pipeline.
- The Tubridgi Storage Facility (in order to be connected to a GBB Pipeline) 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. AEMO intends to revoke the Exemption under rule 48 of the GSI Rules.
- The WAWP (in order to be registered as a GBB Pipeline) 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.

Proposed GSI Rule Amendment

It is proposed that Schedule 2 of the GSI Rules be amended to expand the definition of the Dampier Zone to include the WAWP. AEMO proposes to include the WAWP in the Dampier Zone on the basis of the location of the end users of the pipeline.

2. Explain the reason for the degree of urgency:

AEMO considers that this Rule Change Proposal should be progressed under the Fast Track Rule Change Process. The proposed Amending Rules should commence as soon as possible as the Tubridgi Storage Facility has already commenced operation and cannot be registered. This will ensure the pipeline and any flows on the pipeline are correctly reported and reflected on the GBB.

3. Provide any proposed specific changes to particular GSI Rules: (for clarity, please use the current wording of the Rules and place a ~~strike through~~ where words are deleted and underline words added)

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.

4. Describe how the proposed GSI Rule change would allow the Rules to better address the GSI Objectives:

Rule 127 of the GSI Rules states that “[t]he 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”.

AEMO considers that this Rule Change Proposal will better achieve GSI Objectives (a) and (d), in particular, and is consistent with the remaining GSI Objectives.

The GSI Objectives, as specified in rule 2 of the GSI Rules in relation to the GBB, are to promote the long term interests of consumers of natural gas in relation to:

- (a) the security, reliability and availability of the supply of natural gas in the State
- (d) the facilitation of competition in the use of natural gas services in the State

AEMO considers this Rule Change Proposal supports GSI Objective (a) by ensuring that the information published on the GBB is aggregated in the relevant Zones. This is essential to ensure that the GBB accurately portrays the current and expected near-term supply situation within a Zone, which may help identify a gas supply issue, thereby helping to maintain the security, reliability and availability of supply within the Zone and the State more broadly.

The accurate publication of information within a Zone also supports GSI Objective (d) by providing existing and prospective Gas Market Participants with a clear indication of where natural gas is being transported and used within the State, ensuring the information is available to all participants, supporting competition between participants and potentially helping to identify opportunities for new participants.

5. Provide any identifiable costs and benefits of the change:

The benefit of the proposed change is that, by ensuring all Transmission Pipelines are included in GBB Zones prior to the commencement of relevant obligations under the GSI Rules, the GBB will continue to operate as intended – publishing all relevant information, by GBB Zone where applicable, and supporting the GSI Objectives outlined above.

AEMO will be required to make changes to the GBB system in order to reflect any amendments to the GBB Zones and add the new pipeline to the GBB map and topology. These costs are expected to be minor and can be accommodated within AEMO’s existing budget.

AEMO is not aware of any impacts on Gas Market Participants as a direct result of the amendments to the GBB Zones, although the operator of the WAWP, any Large User Facilities and Storage 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.
