



APA submission

- **AEMC & AEMO Reviews into Extending the Regulatory Frameworks to Hydrogen and Renewable Gases**
- **AEMC rule change to extend the Declared Wholesale Gas Market to distribution level facilities**

May 2022



Mr James Tyrell

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Australian Energy Market Commission (AEMC)

Review into Extending the Regulatory Frameworks to Hydrogen & Renewable Gases

Reference EMO0042

Mr Harrison Gibbs

Advisor

AEMC

Declared Wholesale Gas Market (DWGM) Distribution Connected Facilities

Reference: GRC0062

Australian Energy Market Operator

Gas Wholesale Consultative Committee (GWCF)

AEMO Draft Report, Hydrogen Blends and Renewable Gases Procedures Review,
March 2022

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Lodged online

19 May 2022

RE: AEMC and AEMO's Reviews into Extending Regulatory Frameworks to Hydrogen and Renewable Gases

Thank you for the opportunity to comment on the AEMC and AEMO papers regarding the extension of the regulatory frameworks, including rule and procedures changes to the DWGM, Short Term Trading Markets (STTM) and retail markets to hydrogen and renewable gases.

APA has provided comments on the recommendations and questions raised in the two AEMC papers relating to the proposed regulatory framework and DWGM rule change consultation paper. These are outlined in Part A and B of the submission.

Due to the regulatory framework and rules still being determined, APA didn't have substantive comments on AEMO's draft paper and as such suggests AEMO review sections A and B of this submission for comments applicable to the DWGM and STTM procedures changes.

As an overall comment, APA is supportive of a national gas framework that is agnostic to where and how the industry develops. We suggest that a holistic and end to end perspective is adopted when reviewing the national gas framework, rules and procedures to ensure that the production, injection, storage and transportation of covered gases is not impeded or dis-incentivised when transmission pipelines are determined as suitable for hydrogen. Each decision made for introducing hydrogen and renewable gases into the national framework, rules and procedures should be considered in the context of whether one gas will be given an advantage or disadvantage over another or whether facilities in one geographic location of the facilitated markets will be advantaged or disadvantaged more than another.

By introducing rules and procedures that only deal with one section of the market (eg. distribution connected facilities) without considerations such as the above, increase the risk of the regulatory framework creating perverse incentives. An example that could arise from the proposed recommendations is distribution facility operators allowing a more lenient gas spec in distribution networks to that in transmission networks and restricting gas flows from the custody transfer point of the transmission to distribution networks as the gas spec is already met downstream. This will incentivise smaller facilities to establish downstream compared to larger more economically efficient facilities upstream, connected to transmission systems and away from urban areas. Ultimately consumers will not benefit from economies of scale and more competitive prices.

It also has to be said that many of these reforms are being drafted now in anticipation of what issues may arise when hydrogen and renewable gases are produced commercially. As suggested in APA's November 2021 submission, introducing sufficient rules to enable the trials and small scale operations to commence would allow observations and considerations as to how best to integrate hydrogen and renewable gases into the existing framework without leading to unintended consequences.

We would encourage both the AEMC and AEMO to review APA's submission to the Energy Officials' Consultation Paper: *Extending the National Gas Regulatory Framework to Hydrogen Blends and Renewable Gases*, as many of the comments equally apply to the AEMC's reviews.

As outlined in our submission to the Energy Officials' Consultation Paper, APA fully supports bringing hydrogen blends and renewable gases within the regulatory framework. Doing so will provide regulatory certainty for trials currently underway and support the development of renewable gas industries in Australia. However, we do not support Energy Officials' revised approach for bringing hydrogen and renewable gases within the regulatory framework. This is because Energy Officials propose applying the regulatory framework to new hydrogen pipelines, without adequate

consideration of the risk to investment or whether doing so is in the long-term interests of customers.

If you wish to discuss our submission further, please contact Beck Mason on 0417 490 415 or marketsmanager@apa.com.au.

Regards,

A handwritten signature in black ink, appearing to read 'John Jamieson'.

John Jamieson
General Manager Market Services
Operations Division

1 PART A – Responses to AEMC’s Draft Report: Hydrogen and Renewable Gas Review 31 March 2022

Number	Recommendation	Response
Recommendation 1: Clarify the right to connect to a pipeline and connection cost recovery for service providers		
1	<p>Amend the interconnection rules in the NGR to:</p> <ul style="list-style-type: none"> • also state that a person will only have a right to connect a facility to a pipeline where the connection is consistent with the safe and reliable supply of gas to end-users • enable a service provider (where it has developed an interconnection or part of an interconnection), to recover as part of its interconnection fee the costs of metering and monitoring the quality of the gas injected by the connecting facility that are directly attributable to the interconnection. 	<p>APA considers the new interconnection rules are suitable to facilitate efficient connection by suppliers of covered gases. APA’s position advocated in the initial consultation of November 2021, supports the Commission’s view that it is not efficient for service providers to publish information on where connections by suppliers of covered gases would be technically feasible.</p> <p>APA supports the inclusion for service providers to have the right to consider the safe and reliable supply of gas to end-users where the connection of a covered gas pipeline may not be suitable, impacting on downstream users. Additionally, APA supports the recovery of costs attributed to installing, operating and maintaining metering and monitoring equipment/ processes from the connecting party. There could be instances where additional equipment may be required to deal with or manage flows and these should also be recoverable if determined as necessary for that connection.</p>
Recommendation 2: Introduce a register of covered gas supplier pipeline connections		
2.	<p>The proposed Information provision includes:</p> <ol style="list-style-type: none"> 1. a register of production and blend processing facilities connected to the pipeline and their location, which would be published on the service provider’s website 2. information on the level of blending that has occurred in the pipeline (if any) and any supplier curtailment that has occurred in the last month, which would be published on the Gas Bulletin Board. 	<p>APA supports a register of hydrogen and renewable gas connections to assist interconnected pipelines understand what connections are being made and the covered gas blend a pipeline is rated/ licenced for should these differ between jurisdictions. APA suggests a centrally located register such as on the Gas Bulletin Board (GBB) as information such as connections is already reported to the GBB.</p> <p>However APA doesn’t support transparency measures going beyond this minimum information as it is unlikely to improve efficiency in the market. Managing gas quality is a day to day operational response. The addition of different types of gases will just mean that the service provider will now expect the receipt of a more concentrated volume of the gas and will provide the service to inject a blend within the expected specification range or ensure this is done through in-pipe blending. APA does not see how information published</p>



Number	Recommendation	Response
		to the market on the level of blending that has occurred or supplier curtailments will assist significantly in guiding production facilities where to establish as this will ultimately come down to a technical assessment and negotiations between the pipeline operator and connecting party.
Recommendations 3: Require service providers to publish a supplier related curtailment methodology		
3.	AEMC Proposed approach - Amend the user access guide provisions in the NGR to require all service providers to publish a supplier related curtailment methodology as part of their user access guide.	Curtailment and gas quality management methodology is part of any bilateral contract with the connected party. APA already publishes its methodology in its standard Gas Transportation Agreement provided on our website https://www.apa.com.au/globalassets/our-services/gas-transmission/east-coast-grid/apa-sgta-east.pdf .
Recommendation 4: Require scheme pipeline service providers to include a supplier related curtailment methodology in their access arrangement		
4	Amend the access arrangement provisions in the NGR to require scheme pipeline service providers to include a supplier related curtailment methodology as part of an access arrangement.	<p>Generally the terminology of curtailment refers to reducing supply to meet capacity. Whereas managing a pipelines' gas composition to within a required specification is dealt with in the realm of gas quality and is generally managed through scheduling of gas flows.</p> <p>The proposed expansion of regulatory measures due to the introduction of hydrogen and renewable gases with <i>approval of curtailment methodologies as part of the access arrangement</i> is not justified through evidence. Gas quality management is a factor of the industry now with natural gas where there is variability in receipt of gas quality (including heavier hydrocarbons and requirements for leaner gas spec by some offtakers).</p> <p>In contract carriage markets, gas quality is managed contractually with obligations on the shipper and pipeline operator to receipt and deliver gas respectively within an agreed range of gas composition. If the gas composition deviates from this range, actions are on both parties to manage the situation, accept or reject the gas and revert to the agreed gas composition. Should a supplier have concerns with the rate or extent of curtailment, it has contractual avenues to address these with the service provider. The introduction of additional types of gases and a changed gas specification is not justification enough to warrant greater regulation and oversight of this day to day operational function. Existing ring fencing</p>



Number	Recommendation	Response
		<p>requirements and arbitration measures for scheme pipelines are sufficient to deal with any issues that could arise. Additionally there is sufficient transparency in the gas quality requirements to be met and scheduling measures that will be employed should gas composition depart from the agreed spec.</p> <p>Where scheduling for gas quality may come more into play and the need for a standard 'scheduling' methodology was in facilitated markets and not in contract carriage pipelines. This was highlighted in APA's submission in December 2021. In facilitated markets such as the DWGM and STTM, schedules are currently determined on price and quantity of gas. There may need to be a third element for consideration being the composition of gas injections to maintain gas spec within the entire system and market. This is due to injections now existing across a broader network (transmission and distribution networks), managed by multiple service providers and with scope for pockets of different blends depending on how hydrogen and renewable gases impact flow dynamics. It will be important in these markets to ensure there is equality in the scheduling of injections across the market (eg. downstream verses upstream connected facilities).</p>
<p>Recommendation 5: Introduce reporting obligations on the Gas a pipeline can transport and any proposed changes to this</p>		
5.1	<p>Amend the NGR to:</p> <ol style="list-style-type: none"> 1. require service providers to publish the following information in their user access guides: <ol style="list-style-type: none"> a) the type of gas a pipeline (or part of a pipeline) is licensed to transport b) any limits on blending that may apply to the pipeline (or part of a pipeline) c) the following if the service provider intends to conduct a trial, or to transition the pipeline (or part of a pipeline) to another gas: <ol style="list-style-type: none"> i. the type of gas the service provider intends to trial or transition to ii. when the trial or transition is expected to occur iii. if the trial or transition will apply to the whole pipeline, or a part of the pipeline 	<p>APA supports the inclusion of broad information of pipeline status on the facility operators' or access arrangements for scheme pipelines. However information in relation to trials or transitioning a pipeline (part of a pipeline) is likely to increase in frequency as the market matures, this needs to be given consideration to ensure the information remains up to date and isn't a burden on industry to maintain.</p>



Number	Recommendation	Response
	iv. whether approval for the trial or transition has been obtained from the jurisdictional technical regulator and, in the case of a transition, if the transition has been mandated by a jurisdiction.	
5.2	2. require scheme pipeline service providers to include: a. the information referred to in (a) and (b) above in their access arrangement b. the information referred to in (c) above in their access arrangement	Refer to 5.1
5.3	3. specify the information referred to in (a)-(c) above as information to be included in the gas pipeline register.	Whilst APA supports having information in a common location to ensure accessibility and ease of reference, as this information will already be available in the approved access arrangement, APA suggests the Access Arrangement should be the source of truth. If anything, the AEMC pipeline register could include a link to the Access Arrangement. This will assist industry in reducing duplicated information.
Recommendation 6: Require arbitrators to consider regulatory obligations and requirements in non-scheme pipeline access disputes		
6	This section of the AEMC paper discusses the ability of jurisdictions to mandate a pipeline to transition in addition to the AEMC’s recommendation ensuring arbitrators have the ability to consider regulatory obligations and requirements when arbitrating. Specifically the AEMC recommend - Amend the arbitration pricing principles applying to non-scheme pipelines in new Part 12 of the NGR to require arbitrators to consider any regulatory obligations or requirements when arbitrating non-scheme pipeline access disputes.	The AEMC Paper states that for scheme pipelines a government can mandate a pipeline transition to a blend. <i>“If a government mandates that a pipeline transition from transporting natural gas to transporting another covered gas then, in the case of a scheme pipeline, the mandate will be treated as a regulatory obligation or requirement for the purposes of the NGL and the NGR”... (s. 6 NGL)</i> For non-scheme pipelines the AEMC paper notes <i>“This lack of clarity could undermine a decision by a jurisdiction to mandate that a non-scheme pipeline transition to another covered gas”</i> . It is important that jurisdictions consult and work actively with facility owners prior to authorising or enabling blends in existing pipelines. Prior to jurisdictions moving to accept hydrogen blends, facility operators must have determined whether their pipelines can accommodate blends and that all safety and integrity considerations have been satisfied. APA does not support jurisdictions mandating pipelines to transition. Facility operators should



Number	Recommendation	Response
		<p>therefore retain discretion as to when a pipeline facility transitions to accommodate hydrogen and renewable gas blends.</p> <p>APA does support the inclusion of rules requiring arbitrators to consider regulatory obligations or requirements when arbitrating scheme and non-scheme pipeline access disputes of pipelines that have voluntarily transitioned.</p>
Recommendation 7: Require government grants and concessional finance to be treated as capital contributions		
7	<p>AEMC proposes to amend rule 82 of the NGR to:</p> <ul style="list-style-type: none"> require the regulator to treat government grants in the same manner as user contributions under this rule provide the regulator with some discretion to treat concessional finance in the same manner as user capital contributions and government grants under this rule. 	<p>APA supports this approach regarding government grants. However, in relation to concessional finance, if the loan has been extinguished, the investment should go into the capacity base as the loan has been repaid – that is, the service provider has substituted concession capital with its own. This is not a matter for regulator discretion.</p>
Question 1 Ring Fencing Framework: Exemption Criteria for Minimum Ring Fencing Requirements		
1.1	<p>Should the NGR continue to set out the limited circumstances in which exemptions from the minimum ring fencing requirements can be granted, or be amended to provide the regulator with greater discretion under high level criteria?</p>	<p>APA's recent experience has demonstrated that in these very early stages of industry development, ring fencing has the potential to significantly impede hydrogen development. This is because getting early projects off the ground requires a significant amount of collaboration between different parties, often in different parts of the supply chain. In contrast to projects in well-established industries that just 'run themselves', development projects are much more dynamic and need greater flexibility in bringing projects together.</p>
1.2	<p>If the current approach is to be maintained, are the exemption criteria in rules 31(3)-(4) fit for purpose, or can they be improved? Please set out the changes you think need to be made and why.</p>	<p>Under the approach set out by Energy Ministers in the Consultation Paper, however, many of the conversations needed to get projects off the ground cannot take place, because service provider marketing staff cannot also be staff of a related business (for example, a business trying to establish an electrolyser to create hydrogen).</p>
1.3	<p>If changes are to be made to the exemption framework, what are the likely costs, benefits and risks?</p>	<p>We therefore support as much flexibility as possible in ring fencing arrangements to ensure that early projects can get off the ground. This flexibility could include broad exemptions, of the type afforded to electricity distribution network service providers (DNSPs), for the provision of stand alone</p>
1.4	<p>If changes are to be made to the exemption framework should they apply generally (for all covered gases including natural gas), or be limited to trials of hydrogen and renewable gases?</p>	<p>We therefore support as much flexibility as possible in ring fencing arrangements to ensure that early projects can get off the ground. This flexibility could include broad exemptions, of the type afforded to electricity distribution network service providers (DNSPs), for the provision of stand alone</p>



Number	Recommendation	Response
		<p>power systems (SAPS) in their network operating area. Under those arrangements, DNSPs have:</p> <ul style="list-style-type: none"> • an exemption to provide generation services for SAPS up to a cap on the revenue they may earn from those services; and • reporting obligations to provide transparency on the services they are providing. <p>These sorts of arrangement could support service providers developing new and innovative projects across distribution and transmission networks.</p>
Question 2 Ring Fencing Framework: Class Exemptions for Minimum Ring Fencing Requirements		
2.1	Should the regulator continue to assess exemptions from the minimum ring fencing requirements on a case-by-case basis, or should it be able to issue class exemptions?	<p>We support as much flexibility as possible in ring fencing arrangements to ensure that early projects can get off the ground. This flexibility could include broad exemptions from the ring fencing arrangements.</p>
2.2	<p>If class exemptions are permitted,</p> <p>a. what are the likely costs, benefits and risks?</p> <p>b. in what circumstances could class exemptions be relevant?</p> <p>c. how do you think the risks with class exemptions should be addressed?</p>	
Question 3 Ring Fencing Framework: Conditions on Exemptions from minimum Ring Fencing Requirements		
3.1	Should the regulator have the ability to impose conditions on an exemption from the minimum ring fencing requirements and also be able to vary the conditions?	<p>Exemptions from minimum ring fencing requirements should be designed to provide investment certainty and we support the regulator granting exemptions on a conditional basis, such as a time limit. There should be limits on the regulator's power to revoke or vary exemptions, as doing so may undermine investment.</p>
3.2	<p>Should the ring fencing exemption arrangements be amended to:</p> <p>a. require the regulator to specify an expiration date or a review date for a ring fencing exemption decision?</p> <p>b. require the service provider to notify the regulator without delay if conditions change such that it no longer qualifies for an exemption?</p> <p>c. clarify the ability of the regulator to revoke an exemption from the minimum ring fencing requirements?</p>	



Number	Recommendation	Response
Question 4 Ring Fencing Framework: Consultation process for varying or revoking minimum ring fencing exemptions		
4.1	Should the regulator be required to employ the expedited consultative procedure for variations to, or revocations from, a minimum ring fencing exemption, or have greater discretion in the consultation it carries out?	Regulatory decisions to grant, vary or revoke ring fencing exemptions or orders are likely to be of interest to a wide range of stakeholders, beyond the service provider(s) directly involved. For this reason, we support the regulator employing the expedited consultative procedure in these circumstances.
4.2	If more flexibility is to be provided, should the regulator have a high or limited degree of discretion to determine the appropriate level of consultation?	
Question 5 Ring Fencing Framework: Class decisions on additional ring fencing requirements		
5.1	Should the NGR specify any additional matters (in addition to those set out in the draft Bill) that the regulator would be required to consider when making a ring fencing order? If so, what are those matters and why are they required?	We do not consider that the regulator should issue ring fencing orders without naming the individuals to whom the order applies. Naming the individuals to whom the order applies should not be overly onerous for the regulator, and significantly reduces the risk of inadvertent non-compliance by service providers. We consider that the expedited consultation process is appropriate when making a ring fencing order or granting individual exemptions from the ring fencing order.
5.2	What matters do you think the regulator should consider when deciding whether to grant individual service providers or associates an exemption from a ring fencing order?	
5.3	What consultative procedure do you think the regulator should employ when: a. making a ring fencing order? b. granting individual exemptions from the ring fencing order?	
Question 6 Ring Fencing Framework: Approval of Associate Contracts		
6.1	Should the current approach of approving associate contracts be retained or amended to require approval prior to (ex ante) entering into a contract? Why?	In our view, no changes are required to the associate contract provisions. The current rules provide the regulator with an appropriate level of oversight of associate contracts, and the AER Advice does not provide sufficient evidence that there needs to be a change in approach. The fact that there may be 'increased complexity in assessing associate contracts' is not a sound basis for a significant change to existing associate contract arrangements.
6.2	If an ex ante approval framework is introduced, should service providers be required to obtain approval of: a. all associate contracts and variations b. only those associate contracts and variations that do not involve the supply of a reference service at the reference tariff, or	



Number	Recommendation	Response
	c. only those associate contracts and variations identified by the regulator?	If a service provider is required to seek the regulator's approval before entering into an associate contract, this would significantly increase the regulatory burden for service providers and the AER.
6.3	If the regulator is given the ability to identify the associate contracts that will or will not be subject to an ex ante approval process: a. what types of contracts or variations are more likely to contravene the associate contract provisions in the NGL and should therefore be subject to the process? b. should the rules guide the regulator in exercising that discretion?	
Question 7 Ring Fencing Framework: Onus on Demonstrating associate contract complies with the NGL		
7.1	Should the current onus on the regulator be maintained or should service providers be required to demonstrate, to the regulator's reasonable satisfaction, that an associate contract or variation does not contravene the anti-competitive effect and competitive parity rule provisions in the NGL? Why?	It is not clear why any changes are required in this area. If a service provider is seeking regulator approval for an associate contract or a proposed associate contract under rule 32, the onus is already on the service provider to provide sufficient information to allow the AER to be satisfied that the contract or variation:
7.2	If the change is made, should service providers be required to include any information that it seeks to rely on in its application, including material that demonstrates that the contract or variation does not contravene the anti-competitive effect and competitive parity rules?	a) does not have the purpose, and is unlikely to have the effect, of substantially lessening competition in a market for natural gas services; and
7.3	If the change is made, should the regulator be able to seek additional information from the service provider if required?	b) is not inconsistent with the competitive parity rule. Furthermore, there does not seem to be anything preventing the regulator from seeking further information from the service provider.
Question 8 Ring Fencing Framework: Time and Consultation process for associate contracts decisions		
8.1	Should the 20 business day time limit for decisions on associate contracts be extended? If so, what should it be?	If a service provider is seeking regulatory approval under rule 32, there may be circumstances where a 'stop the clock' provision is appropriate. We consider that extending the process by an additional 20 business days to be acceptable.
8.2	Should a 'stop-the-clock' provision be available to the regulator in this process? If so, should there be any limit on the extent to which the decision-making time limit can be extended?	



Number	Recommendation	Response
8.3	Should the decision-making process include public consultation? If so, what would be appropriate?	
Question 9 Ring Fencing Framework: Clarify the competitive parity rule		
9.1	Should greater guidance on the competitive parity rule be included in the NGR, or is the current definition sufficient? Why?	We do not support changes to the competitive parity rule. The existing rule is well understood and the AER Advice to Energy Officials does not provide sufficient evidence that there needs to be a change to the current rules, or that further guidance is needed.
9.2	If the change is made, should the new rule be based on the obligation to not discriminate provisions in the Ring-fencing guideline (electricity distribution) 2021, or is there an alternative approach to provide greater guidance?	
Recommendation 8: Draft recommendation 8: extend the GSOO to other covered gases		
8	<p>Amend Part 15D of the NGR to extend its application to other covered gases by:</p> <ul style="list-style-type: none"> • specifying the gases to be covered by the GSOO (i.e. all covered gases) • excluding remote BB facilities from the scope of the GSOO • replacing the term 'natural gas industry' with 'covered gas industry' in the GSOO survey <p>rules to align with the extended changes to the NGL</p> <ul style="list-style-type: none"> • amending the GSOO content rules and associated definitions to: <ul style="list-style-type: none"> • extend their application to the facilities (other than remote BB facilities) involved in the supply of covered gases so that the GSOO includes information for the following, comparable to the information included for natural gas: <ul style="list-style-type: none"> — primary gas production — transmission pipelines carrying another covered gas — storage facilities for other covered gases • require the GSOO to include the following information on blend processing facilities: <ul style="list-style-type: none"> — blend production forecasts 	<p>APA supports the inclusion of covered gases in transparency measures where there is a clear domestic market benefit for this information that outweighs the costs and burdens of providing the data. APA can therefore see value in including covered gases blended into existing facilities that are already covered by transparency obligations due to transporting natural gas which will now be classified as a covered gas.</p> <p>However, APA proposes that in addition to exclusion as a BB remote facility, materiality thresholds should apply to other dedicated covered gas facilities of 10 TJ/d or single user facilities as envisaged in areas of the National Gas Rules. These facilities are either not large enough to materially impact the market, or operate for a specific purpose not supplying the domestic market.</p> <p>Consideration and consultation of the blend processing facility definition will be required to ensure it only captures standalone third party facilities and doesn't inadvertently impose undue burden such as capturing pipeline augmentations to manage gas specifications or receipt points to accept covered gas. As the Australian Pipeline Gas Association (APGA) outlined in their submission to the Energy Minister's Paper a blend processing facility maybe no different to existing interconnect facilities or gas processing that form part of a pipeline facility.</p>



Number	Recommendation	Response
	<ul style="list-style-type: none"> — annual and peak day capacity of, and constraints on, blend processing facilities — committed and proposed, new or expanded blend processing facilities • allow, but not require, the GSOO to include information on the feedstock used to create primary gases (excluding natural gas) such as biomethane suppliers of other covered gases and the factors that may affect the availability of that feedstock. 	<p>APA supports the inclusion of upstream information for the production of primary gases as optional where it informs the market of a limit to production and only where this is a raw material of finite reserve. This is consistent with how natural gas is currently captured by the national gas rules in Part 15D).</p>
Recommendation 9: Clarify that information from the GSOO survey can be used for the VGPR and vice versa		
9	<p>Amend Parts 15D and 19 of the NGR to allow AEMO to use information for either purpose by:</p> <ul style="list-style-type: none"> • amending the use and disclosure of GSOO survey information rule in Part 15D to allow AEMO to use any information it obtains through this survey for the purposes of the VGPR • including a comparable use and disclosure of VGPR information rule in Part 19 to allow AEMO to use any information it obtains for the VGPR for the purposes of the GSOO. 	<p>APA supports utilisation of data across both reports as the GSOO and VGPR are closely aligned. In APA’s view there should be a single source of truth and the VGPR should be a subset of the GSOO (rather than two large documents) as it covers common and related content.</p>
Recommendation 10: Enable AEMO to collect VGPR information from parties not registered in the DWGM		
10	<p>Amend Part 19 (323-324) and Part 15B of the NGR to allow AEMO to collect information for the VGPR from persons that are not DWGM registered participants and require any information that AEMO intends to collect using this new power to be set out in the wholesale market procedures.</p>	<p>APA does not support expanding AEMO’s power via the wholesale market procedures to gather information from non-registered DWGM participants.</p> <p>Clause 323 of Part 19 of the National Gas Rules outlines the inclusion in the planning reviews (e.g. VGPR) which is specific to demand, supply and operation of the DWGM. Obligations to provide data to the planning review should be limited to registered participants. AEMO could utilise information for their modelling and assessment from the Gas Statement of Opportunities (GSOO) provided under recommendation 9 above for those facilities that are not directly related to the DWGM but which potentially impact supply or demand in the DWGM.</p>



Number	Recommendation	Response
		<p>If participants are only registered to provide information for the planning review as the AEMC paper suggests, then consideration needs to be given as to whether they are critical to the daily operations of the market and therefore need to be registered in the DWGM.</p> <p>APA's concern is that if there is an open ended obligation on non-DWGM participants to provide information this recommendation will lead to opaqueness, confusion and an expansion of powers beyond the DWGM and declared transmission system.</p>
Recommendation 11: Extend the VGPR to other covered gases		
11	<p>Amend Part 19 and 15B of the NGR to extend the VGPR to other covered gases by:</p> <ul style="list-style-type: none"> • specifying the gases to be captured by Part 19 of the NGR (i.e. natural gas, processable gas and other covered gases) • to the extent not already achieved by the expanded definition of 'gas', amending rule 323 and associated definitions in rule 200 to: <ul style="list-style-type: none"> – extend their application to the facilities involved in the supply of other covered gases – require AEMO to take into account committed projects for new or additional blend processing facilities under rule 323(4) • to the extent not already achieved by the expanded definition of 'gas', amending rule 324 or associated definitions in rule 200 to require the following to provide information to AEMO for the VGPR comparable to the information provided for natural gas or processable gas from the following: <ul style="list-style-type: none"> – producers of an other covered gas – pipeline service providers for a pipeline carrying an other covered gas – storage facility operators for other covered gases • blend processing facility operators to provide AEMO with information on: <ul style="list-style-type: none"> – annual forecasts for the next five years and monthly forecasts for the next year – blend processing capacity 	<p>APA supports the extension of the VGPR to include covered gases, production and blending facilities if they are registered in the DWGM. As per APA's response to recommendation 10 above, APA does not support an expansion of mandatory reporting requirements to non-DWGM registered facilities via the wholesale market procedures.</p>



Number	Recommendation	Response
	<ul style="list-style-type: none"> - forecasts of the availability of equipment, details of any constraints and maintenance - blend processing facility projects (including expansions) • amending Part 15B to allow wholesale market procedures to deal with the provision of information for planning reviews under rule 323 including the specification of the persons, or classes of persons, who may be required to provide information. 	
Draft Recommendation 12: Extend the bulletin board to other covered gases		
12	<p>Amend Part 18 to:</p> <ul style="list-style-type: none"> • Replace the term 'Natural Gas Services Bulletin Board' with 'Gas Bulletin Board' and align this part with the extended scope of the Gas Bulletin Board under the NGL by replacing the terms 'natural gas services', 'natural gas industry' and 'natural gas industry facilities' with 'covered gas services', 'covered gas industry' and 'covered gas industry facilities' • Extend the application of Part 18 to other covered gases by defining 'gas' to mean any covered gas and using the term 'gas' in place of 'natural gas'. This will result in reporting of information comparable to the information reported for natural gas on: <ul style="list-style-type: none"> - primary gas production - transmission pipelines carrying other covered gases - storage facilities for any covered gas - stand-alone compression facilities providing compression for other covered gases - large facilities using other covered gas - transactions relating to other covered gas • Accommodate blend processing facilities with a nameplate rating of 10 TJ/day or more by: <ul style="list-style-type: none"> - including these facilities as a new type of BB facility in rule 141 and excluding them from the definition of 'production facility' in rule 141 - recognising blend processing facilities in the definitions of 'daily capacity', 'reporting threshold' and 'nameplate rating' in rule 141 	<p>APA maintains the view that other covered gases should be considered equivalent to natural gas. For this reason, APA supports a materiality threshold of 10TJ/d applying and broad exemptions such as remote facilities. APA proposed that similarly single user facilities or non-third party facilities where these facilities operate for a single market that isn't connected to or can supply the domestic market should not be captured by these domestic market transparency measures.</p> <p>For blend processing facilities, APA remains of the view that If blending facilities is necessary for existing pipeline operations whereby they take natural gas flows or manage other compositions to get it within the gas specification, whether this be directly in the pipeline flow or adjacent to the main pipeline flow, this should not trigger specific reporting obligations. What is important for transparency is what is ultimately injected and capacity available for injection. Dissecting that information in multiple upstream parts does not add efficiency to the market.</p> <p>Consideration and consultation of the blend processing facility definition will be required to ensure it only captures standalone third party facilities and doesn't inadvertently impose undue burden such as capturing pipeline augmentations to manage gas specifications or receipt points to accept covered gas.</p> <p>To ensure consistency of definitions and facilities across the NGR sections, it may be appropriate to have blend processing facilities defined as an injection facility to make this comparable to STTM provisions.</p>



Number	Recommendation	Response
	<ul style="list-style-type: none"> - amending Division 5 to set out the new reporting obligations that will apply to blend processing facilities which will include information on: <ul style="list-style-type: none"> ▪ the nameplate rating and facility information ▪ the daily quantity of gas withdrawn from a pipeline and injected into a pipeline ▪ short term capacity outlook and material intra-day changes ▪ medium term capacity outlook ▪ nominations and forecast use of facilities ▪ facility development projects ▪ the outlook for uncontracted capacity and shippers with firm capacity • Accommodate gas distribution pipelines with a nameplate rating of 10 TJ/day or more by: <ul style="list-style-type: none"> - including these pipelines as a new type of BB facility in rule 141 - recognising distribution pipelines in the definitions of 'daily capacity', 'reporting threshold' and 'nameplate rating' • Amending Division 5 to set out the reporting obligations that will apply to BB distribution pipelines and BB transmission pipelines that carry a gas blend, which will include reporting on: <ul style="list-style-type: none"> - any blending cap that applies to the pipeline and the lowest, highest and average - blending achieved in the last month the number of times any covered gas supplier has been curtailed in the last month - the nameplate rating and receipt and/or delivery points at which facilities that inject into the pipeline are connected <p>Amend Part 15B to allow AEMO to provide guidance on the determination of nameplate ratings through the BB Procedures.</p>	<p>APA's interpretation of this recommendation relating to the inclusion of distribution pipelines reporting to the Gas Bulletin Board (GBB) is that it will be immediate as natural gas will be considered a covered gas and therefore irrespective of whether hydrogen and renewable gas injections are occurring downstream. To avoid this, APA suggests reporting occurs from when a hydrogen or renewable gas connection occurs.</p>
<p>Draft Recommendation 13: Extend the AER's gas price reporting function to other covered gases</p>		



Number	Recommendation	Response
13	Amend Part 17 of the NGR to enable the AER to publish information on the prices and non-price terms and conditions for other covered gases under gas supply agreements and gas swap agreements.	APA maintains the view that transparency measures should only be applied when commercial production has been proved and is maintained. For this reason, facilities less than 10 TJ/d materiality threshold, remote facilities, single user facility and non-third party facilities should be excluded from publishing pricing information. This will allow gases such as hydrogen production to develop to commercial scale before being compared to mature gases such as natural gas on a pricing basis .
Draft Recommendation 14: Extend the non-pipeline infrastructure access reporting obligations to other covered gases		
14	Amend Part 18A of the NGR to extend its application to other covered gases by: <ul style="list-style-type: none"> • requiring storage and compression facilities involved in the supply of other covered gases to report the same information as their natural gas counterparts • requiring facility operators to identify the type of gas the facility is used to supply • making drafting changes to update 'natural gas industry facility' and 'natural gas service' with 'facility' or 'covered gas industry facility' and 'covered gas services' where applicable. 	Refer to APA's response to recommendations 12 and 13 above.
Draft Recommendation 15: Extend the non-pipeline infrastructure access reporting obligations to blend processing facilities		
15	Amend Part 18A to extend its application to blend processing facilities by: <ul style="list-style-type: none"> • changing the name of Part 18A to 'Non-pipeline infrastructure access terms and prices' to reflect its broader application • amending the definition of a Part 18A facility to include a blend processing facility • amend the definition of user to include a person who is a party to a contract with a service provider for the provision of a blend processing service • amending the actual prices payable information rule to: <ul style="list-style-type: none"> – recognise blend processing services as an example of the type of service a facility may provide 	For blend processing facilities, APA remains of the view that if blending facilities are necessary for existing pipeline operations whereby they take natural gas flows or manage other compositions to get it within the gas specification, whether this be directly in the pipeline flow or adjacent to the main pipeline flow. Similarly this process could be part of the production facility or adjacent to such facility. Either of these scenarios should not trigger specific reporting obligations as these will be captured as part of the production or pipeline facility. As the Australian Pipeline Gas Association (APGA) outlined in their submission to the Energy Minister's Paper, a blend processing facility maybe



Number	Recommendation	Response
	<ul style="list-style-type: none"> recognise the manner in which contracted quantities will be measured for blend processing facilities (i.e. as injection and withdrawal capacities, expressed as a maximum daily quantity) 	<p>no different to existing interconnect facilities or gas processing that form part of a pipeline facility and therefore not require a specific registration category.</p>
Draft Recommendation 16: Extend the STTM shipper registration category to injections from blend processing facilities		
16	<p>Amend the NGR to extend the definition of STTM Shipper in rule 135ABA to include a person that:</p> <ul style="list-style-type: none"> is a party to a contract with a blend processing facility operator for the delivery of gas to an STTM hub from a blend processing facility that is directly connected to that STTM hub (rule 135ABA(1)(a)(ii)), or is a blend processing facility operator who supplies gas on its own behalf to an STTM hub from its blend processing facility that is directly connected to that STTM hub (rule 135ABA(1)(a)(iv)). 	<p>Consistent with APA's position on recommendation 15, rather than adding another registration category which restricts industry's development or adding blend processing facilities to production and storage, a simpler way would be refers to the delivery of gas via an injection facility (whether that be production, storage or blend processing). This also ensures consistency with recommendation 17.</p> <p>APA would also like to suggest removing references to storage facilities and injection facilities not being pipelines (eg. the reference <i>other than a pipeline</i>). This will give industry flexibility in how it manages, stores and injects covered gases into STTM markets.</p>
Draft Recommendation 17: Create a single injection facility category		
17	<p>Amend the NGR to:</p> <ul style="list-style-type: none"> introduce the definition of 'STTM injection facility' as a facility at which gas is injected directly from that facility into an STTM distribution system at a custody transfer point included in a hub, and includes an associated pipeline connecting that facility directly to the hub remove the definitions of 'STTM production facility' and 'STTM storage facility' replace all instances of 'STTM production facility' and 'STTM storage facility' with 'STTM injection facility'. 	<p>APA supports the simplification of STTM definitions with one <i>STTM injection facility</i> definition to capture production, storage and injection. It is important to ensure sufficient flexibility in the definition to not limit this necessarily to a "facility" with an associated pipeline connecting the facility, as outlined in response to recommendation 16 above.</p>
Draft Recommendation 18: Modify the obligation for facility operators to provide expected capacity information		
18	<p>Amend the NGR in order to modify rule 414 by:</p> <ul style="list-style-type: none"> specifying that a facility operator is not required to notify AEMO of expected capacity in respect of the following three gas days if there is no 'material 	<p>The view that only updating information if there is a change or introducing a materiality threshold reduces the cost and burden of reporting isn't correct. To have this information captured, systems have to be augmented or developed, data assessed against certain parameters, reported and checked by personnel</p>



Number	Recommendation	Response
	<p>difference' between the quantity of gas which the facility operator expects that the facility will be able to deliver to the relevant hub and the substitute information that would be generated, in accordance with the STTM Procedures, by AEMO in the event that the facility operator does not provide this data.</p> <ul style="list-style-type: none"> • defining 'material difference' as the magnitude of difference exceeding the greater of A and B, where: <ul style="list-style-type: none"> a. A is 600 GJ; and b. B is the lesser of 5% of the nameplate rating of the STTM facility (determined in accordance with Part 18) and 10 TJ. 	<p>to ensure it was been sent and is accurate. This is still required irrespective of how often it is reported or if it changes.</p> <p>Introducing material change thresholds adds to complexity. What would be a simpler solution is a reporting threshold of 10 TJ/d (equivalent to a ~130 MW electrolyser). These facilitated markets are wholesale markets and solving for large quantities of energy equivalent gas. Having a threshold of reporting too low such as 600 GJ (0.6TJ or ~7 MW electrolyser) will be noise in the market and not add value.</p> <p>Aggregation of facilities similar to recommendation 19, could assist by only reporting one capacity number for a 'notional facility' to the market.</p> <p>If a materiality threshold is contemplated for facility operators, consistency with <u>facility thresholds</u> used in Part 18 Gas Bulletin Board Short Term Capacity Outlook would create less confusion and complexity for operators than arbitrarily applying material difference thresholds from settlement processes in Rule 463 that apply to Trading Participants.</p>
Draft Recommendation 19: Allow for facility aggregation and submission of offers by aggregated facility		
	<p>Amend the NGR to:</p> <ul style="list-style-type: none"> • introduce a new rule that: <ul style="list-style-type: none"> – allows a facility operator to apply to AEMO to aggregate any of its STTM injection facilities – requires AEMO to approve applications for aggregation if the applicant is the facility operator for all relevant STTM injection facilities, these have a common allocation agent, and any requirements for aggregation in the STTM Procedures have been fulfilled – requires AEMO to evaluate applications for aggregation and reply within 20 business days of receipt of the application – allows the facility operator to end the aggregation. • introduce a new rule that: 	<p>APA supports the aggregation of STTM injection facilities for the submission of offers to the market.</p>



Number	Recommendation	Response
	<ul style="list-style-type: none"> - specifies that for the purposes of Part 20, a reference to an STTM injection facility is taken to be a reference to two or more aggregated STTM injection facilities - the capacity of an STTM injection facility aggregated is not to be taken into account for the purpose of determining capacity charges or capacity payments. • amend rule 377(3) to require AEMO to identify which facilities have been aggregated in the list of STTM facilities and STTM distribution systems it maintains. 	
Draft Recommendation 20: streamline the process for establishing new CTPS		
	<p>Amend the NGR to:</p> <ul style="list-style-type: none"> • specify in rule 135EA(4) that the STTM Procedures may deal with the arrangements for determining proposals for CTPs to be included in or removed from a hub • introduce a new rule in Part 20 that requires AEMO to specify the CTPs comprised in each hub in a register maintained by AEMO under the STTM Procedures. The CTP for a facility from which gas is injected into an STTM distribution system must be included in the relevant hub. The STTM Procedures must set out the arrangements for AEMO to determine changes to CTPs for a hub, which must: <ul style="list-style-type: none"> - specify the time frame and process for AEMO to consider and determine a proposal, which must include notice to the relevant STTM distributor and must allow 20 business days for the STTM distributor to respond - require AEMO to publish notice of its determination on the proposal. • amend rules 371, 372 and 372A to refer to the CTP register instead of the STTM Procedures • amend rule 372A to specify that additional CTPs not connected to one of the STTM distribution systems specified in that rule can only be added with the consent of the STTM facility operator and the service provider of the STTM pipeline at the CTP. 	<p>APA supports streamlining of custody transfer point additions and removals as part of a register rather than in STTM procedures.</p>



Number	Recommendation	Response
Draft recommendation 21: Allow distributors to agree to an alternative gas quality specification at a CTP		
	<p>Amend the NGR to:</p> <ul style="list-style-type: none"> • introduce the definition of ‘standard gas quality specification’ for a hub to reflect the current definition of ‘gas quality specification’ • introduce a new rule that: <ul style="list-style-type: none"> • allows the relevant distributor (at the request of a facility operator of an STTM injection facility connected at a CTP) to enter into a written agreement that: <ul style="list-style-type: none"> – provides for the injection at a CTP of gas that does not comply with the standard gas quality specification; and – (b) sets out the quality standard with which that gas must comply. • specifies that such an agreement must include the distributor, operator proposing to inject the gas, and each STTM Shipper proposing to supply gas to the CTP • states that a distributor must not approve such an agreement unless it is satisfied that the injection of gas is consistent with any applicable pipeline safety duty or pipeline service standard (each as defined in the NGL) • allows the distributor to revoke the agreement if it is breached, or the distributor is satisfied that the injection of the gas is no longer consistent with any applicable pipeline safety duty or pipeline service standard • modify the definition of ‘gas quality specification’ to: <ul style="list-style-type: none"> – clarify that this relates to a CTP – means the standard gas quality specification or the alternative gas quality standard approved by the distributor in accordance with the above new rule. • modify rule 418(3) such that shippers must ensure that gas supplied to a CTP (rather than a hub) complies with the gas quality specification for that CTP 	<p>As outlined in our cover letter, APA believes that changes to the gas framework should create a level playing field amongst all players in the market and be agnostic as to where and how the gas production and injection develops.</p> <p>APA contends that if distribution connected facilities are to be traded and settled in the wholesale market then consistency in gas specification across the market should prevail. If there is capacity for altered gas specification in certain areas of the market, this could provide an incentive to establishing facilities in that area at the detriment to other areas. APA is of the view that a level playing field should be established. In addition, having different gas specifications will create confusion and uncertainty for consumers. A standard gas specification range which can apply throughout the markets would give flexibility to all participants but also certainty on the gas specification standard required and ensure all participants are bound by the same standard.</p> <p>APA supports the AEMCs view that the STTM shippers retain responsibility for gas spec. This is on the basis that as per 418 of the NGR, STTM shippers will have a contract with an injection facility to inject or blend the covered gas to meet certain parameters prior to injection. Title, responsibility and risk remains with the shipper until transferred at a custody transfer point to a trading participant withdrawing the gas.</p>
Draft Recommendation 22: Expand existing registration categories in regulated retail markets		



Number	Recommendation	Response
	<p>Amend the NGR definition of 'self-contracting user' for the NSW-ACT (rule 135AB(1)(C)), South Australia (rule 135AB(3)(D)) and Queensland (rule 135AB(2)(C)) regulated retail markets to include blend processing facilities.</p> <p>Amend the NGR definition of 'market participant other' for the Victorian regulated retail market (rule 135AB(4)(D)) to include blend processing facilities.</p>	No comment
Draft recommendation 23: Require distributors and retailers to provide notices of a transition to a NGE		
	<p>Introduce a new Part 8B 'transition to natural gas equivalents' in the NERR which includes:</p> <p>New rule 147C which requires distributors to notify retailers and AEMO in writing of a transition to a NGE. The notice must:</p> <ul style="list-style-type: none"> • be in simple and concise language include: <ul style="list-style-type: none"> – the date of transition to the NGE – the type of NGE that they are licensed to transport and any limits on blending that may apply – the potential impact of the supply of the NGE on the quantity of gas consumed by customers and heating values compared to the supply of natural gas. In the case of a NGE which is a gas blend, the potential impact may be expressed as a range, but must include the impact at the highest permitted blend limit. • otherwise be provided in the form and manner required by the guidelines made by the AER under new rule 147F (if any). <p>New rule 147D which requires a distributor:</p> <ul style="list-style-type: none"> • prior to issuing a transition notice, to consult with retailers and AEMO in relation to the transition date to be specified in a notice under new rule 147C • in specifying a transition date in a notice under new rule 147C, have regard to: <ul style="list-style-type: none"> – any submissions received from retailers and AEMO during consultation 	No comment



Number	Recommendation	Response
	<ul style="list-style-type: none"> - the obligations on a retailer to notify customers of the transition - the reasonable requirements of retailers and AEMO to review their systems and processes to ensure compliance with the national energy legislation following the transition <p>New rule 147E which would require retailers to notify their small customers in writing of a transition to a NGE. The notice must:</p> <ul style="list-style-type: none"> • be in simple and concise language • be provided no later than 5 business days before the transition date specified in the notice from the distributor • include: <ul style="list-style-type: none"> - the transition date - a copy of the notice from the distributor or a link to the notice on the distributor’s or retailer’s website and details of how the customer may request a copy of the notice - contact details of the retailer and/or distributor - any other information relevant to the customer’s understanding of how the transition may impact the customer • otherwise be provided in the form and manner required by the guidelines made by the AER under new rule 147F (if any). <p>New rule 147F that:</p> <ul style="list-style-type: none"> • empowers (but not requires) the AER to make guidelines in relation to the form and content of the transition notices required under new rules 147C or 147E (transition notice guidelines) • requires the AER to make any transition notice guidelines in accordance with the retail consultation procedure 	
Draft recommendation 24: require retailers to specify in Customer retail contracts if a NGE is being sold		
	<p>Amend clause 3.3 of the model terms and conditions for standard retail contracts in schedule 1 of the NERR to introduce a requirement for a retailer to specify, as a required alteration, whether gas sold by the retailer includes a NGE.</p>	<p>No comment</p>



Number	Recommendation	Response
	<p>Amend Part 2 Division 7 of the NERR by introducing a rule requiring market retail contracts for the sale of gas to specify whether gas sold by the retailer includes a NGE.</p> <p>Amend Schedule 3 of the NERR by inserting a new savings and transitional rule specifying that the new rule in Part 2 Division 7 applies only to market retail contracts that are entered into or varied after the commencement of the rule.</p>	
Draft recommendation 25: include NGE transition information in historical billing information		
	<p>Amend rule 28 of the NERR to introduce a requirement that retailers include the date of a transition to a NGE (if any) in historical billing information provided to a gas customer.</p>	<p>No comment</p>

2 PART B – Responses to AEMC’s Draft Rule Determination DWGM distribution connected facilities 31 March 2022

Number	Recommendation	Response
Market Operations - Registration Categories		
3.1	<p>Creation of a separate registration category for distribution connected facilities. Two new registration categories under rule 135A of the NGR:</p> <ol style="list-style-type: none"> 1. distribution connected facility operator: a person who injects gas into a DDS at a DDS injection point from a storage facility, production facility or blend processing facility 2. Market Participant — distribution connected facility operator: a distribution connection facility operator that buys or sells gas in the declared wholesale gas market. 	<p>APA supports transparency and clear classification of registration categories for DDS facilities in DWGM</p>
Market Operations – Requirement to Submit Bids and Gas Scheduling		
3.2.1	<p>Changes to Rule 206 - 211 to include distribution connected facilities within the existing set of DWGM bidding and scheduling rules. This will enable distribution connected facilities to inject gas into the market in a way that is open, transparent and on an equivalent basis to facilities already in the market.</p> <p>To achieve the above the draft rules:</p> <ul style="list-style-type: none"> • create the following new definitions <ul style="list-style-type: none"> – DDS injection point, meaning a receipt point on a declared distribution network. – market injection point, which means a system injection point or a DDS injection point or both. • expands the bidding rules such that market injection points are required to submit bids for gas they intend to inject, with these bids being required to be scheduled in the market and following the existing set of bidding rules for the DWGM. <p>Additional consequential rules have also been updated to reflect this decision, including that injection bids are made in good faith, distribution connected facilities</p>	<p>APA supports transparency and clear classification of registration categories for DDS facilities in DWGM</p>



Number	Recommendation	Response
	notify AEMO of the gas they intend to inject for the day, and changes to include distribution connected facilities as part of AEMO's data publishing.	
3.2.2	<p>New Definitions in Part 19 include:</p> <p>Some key new definitions that are mentioned throughout this draft determination are described below:</p> <ul style="list-style-type: none"> • DDS injection point means a receipt point on a declared distribution system. • declared distribution system means a declared distribution system within the meaning of the NGL but does not include a distribution system, or part of a distribution system, that is: <ul style="list-style-type: none"> – not connected directly or indirectly to the declared transmission system; or – is indirectly connected to a declared transmission system but by means of a pipeline that does not form part of the declared transmission system. • distribution connected facility means a storage facility, production facility or blend processing facility connected to a declared distribution system. • distribution connected facility operator means a person who injects gas into a declared distribution system at a DDS injection point. • distribution constraint means a constraint in or affecting a declared distribution system at any time as a result of which (having regard to operational requirements relating to pressures) gas flows in any part of the system are or (but for anything done by the distributor) would be restricted, whether the constraint results from the size of any part of the declared distribution system, the operation or failure to operate of any part of the declared distribution system or the extent or distribution of supply or demand in any part of the declared distribution system. • market injection point means a system injection point or a DDS injection point or both. <p>The addition of a definition for declared distribution system in this draft rule is aimed to exclude distribution systems that are either not directly connected to the DTS or</p>	<p>APA supports transparency and clear classification of registration categories for DDS facilities in DWGM</p>



Number	Recommendation	Response
	are not connected to a wider network. This distinction is intended to provide a clear delineation in roles and responsibilities between networks that will be covered by DWGM arrangements and those that will not be covered by DWGM arrangements.	
Market Operations – Demand Forecasts		
3.3	<p>Changes to Rule 208 amends the demand forecast to include all gas consumed from a declared network.</p> <ul style="list-style-type: none"> • amended the definition of demand to include gas withdrawn from the DDS but excluding amounts that are already covered from DTS withdrawals or specified system withdrawal points. • AEMO may also request a demand forecast, if it requires it, from one or more specified DDS withdrawal points. • This amendment aims to capture the impact of any distribution injections on the demand forecast. 	<p>APA supports DDS injection facilities treated equivalent to transmission connected facilities to maintain competitive neutrality within the market. During the infancy of the renewable gases, could aggregation of facilities similar to what is proposed in the STTM be possible to assist in the development of these gases.</p>
Market Operations – Gas Scheduling		
3.4.1	<p><u>Methodology</u></p> <p>rule 317B of the draft rule, which specifies that:</p> <ul style="list-style-type: none"> • AEMO is obligated to prepare <i>Distribution Operations Coordination Procedures</i> • the distribution operations coordination procedures must set out the arrangements for a distributor to submit a methodology to determine one or more supply point constraints that: <ul style="list-style-type: none"> – apply to an injection point on a distributors network – the distributor considers are reasonably required for the operation of its distribution network; and – are to be taken into account by AEMO with respect to the economic principles within the operating or pricing schedules. 	<p>APA supports this approach.</p>
3.4.2	<p><u>Curtailement</u></p>	<p>As outlined in our cover letter, APA believes that changes to the gas framework should create a level playing field amongst all players in the</p>



Number	Recommendation	Response
	<p>Given the responsibility of distributors to manage gas quality on their network and the variable nature of distribution network gas flows, the AEMC has included powers for the distributor to curtail gas injections into their network.</p> <p>In the event that a facility is curtailed by the distributor, this information will be conveyed back to AEMO, who will inform the market and make any necessary changes to the current schedules. The process for this sharing of information is expected to be developed through the new data sharing provisions between AEMO and distributors under rule 317A.</p>	<p>market and be agnostic as to where and how the gas production and injection develops.</p> <p>At this early stage, whilst we believe this seems like a practical approach and consistent with how curtailment currently operates in the DTS and inclusion in market schedules, it is important to ensure that injections from the transmission system is not unfairly curtailed as an injection point into the DDS. Ensuring competitive neutrality between the transmission and distribution networks is a critical element.</p>
3.4.3	<p><u>Data Sharing Provisions</u></p> <p>The AEMC proposes information-sharing provisions between AEMO and the relevant distributor are also required tightly interrelated nature of demand and distribution connected facilities' abilities to inject.</p> <p>New Rule 317A outlines the provisions via AEMO making <i>Distribution Operations Coordination Procedures</i>.</p> <p>The data that may be required for the safe operation of a DDS is likely to vary for each network, both in the nature of the data and the time in which it is needed by the distributor.</p> <p>Given this variability, the Commission has made a draft rule that provides a high-level framework for data sharing between distributors and AEMO, allowing for the specific arrangements to be negotiated between the parties. This process is tightly integrated with the Commission's position relating to the gas scheduling arrangements.</p>	No comment.
Market Operations – Capacity Certificates		
3.5	<p>Changes to Rule 327B to include distribution connected facilities as market participants in the DWGM. From this draft rule, they will automatically be allowed to participate in capacity certificate auctions as the auctions are open to all market participants.</p> <p>AEMO to conduct its system capability modelling for entry and exit capacity certificate zones in the DTS as currently planned, with distribution injections being</p>	<p>As outlined in our cover letter, APA believes that changes to the gas framework should create a level playing field amongst all players in the market and be agnostic as to where and how the gas production and injection develops.</p> <p>Competitive neutrality should be a consideration with how hydrogen or renewable gases are accommodated with regard to entry and exit</p>



Number	Recommendation	Response
	<p>treated as reduced locational demand. This would avoid the complexity of modelling capacity in distribution zones when the market for distribution injection facilities is still in its early stages.</p>	<p>certificates. If distribution connected hydrogen or renewable gas injection facilities are treated as reduced location demand they automatically receive priority access in a tie-breaking situation over a transmission connected hydrogen, renewable gas and natural gas connected facilities that have to obtain an entry certificate to benefit from tie-breaking rights. Transmission connected facilities will therefore be second to distribution connected facilities. We suggest further consideration be given as to how the whole industry can develop, competitive neutrality between gases and where to connect.</p>
<p>Market Outcomes – Custody, Control & Risk of Loss Gas, Settlement & TUoS considerations</p>		
<p>4.1.1</p>	<p><u>Title of Gas</u></p> <p>Rule 220 remains unchanged other than now only relating to Title, custody and risk in the DTS.</p> <p>New Rule 220A is specifically related to Title, Custody and Risk of gas in the Declared Distribution System (DDS) and provides for the allocation of title in the DDS. It states that the title of gas withdrawn from a DDS is passed immediately prior to withdrawal from the market participant that injected the gas at a DDS injection point or from the DTS at a transfer point to the Market participant that withdraws the gas at one or more distribution delivery points.</p> <p>Title of gas is transferred between Market Participants in the DDS and not via AEMO or the DDS Operator. This provides a cohesive framework for title transfers in the DDS without expanding AEMO's role as the DTS system operator.</p>	<p>No comment.</p>
<p>4.1.2</p>	<p><u>Settlement</u></p> <p>Minor changes to the definitions used in the settlement rules include changes to:</p> <ul style="list-style-type: none"> rule 206 to reflect that AEMO must schedule injections into the DTS, into the DDS at a DDS injection point and withdrawals from the DTS in accordance with bids, and 	<p>No comment.</p>



Number	Recommendation	Response
	<ul style="list-style-type: none"> rule 208 to extend demand forecasts to include demand from DDS (to the extent not included in demand forecasts for the DTS). These changes will mean that DDS injections will be accounted for in the calculation of a market participant's scheduled imbalance. term 'actual injections' removed and replaced with new term, 'market injection points'. This new term will cover system injection points and DDS injection points. This change means that DDS injections will be accounted for in the calculation of a market participant's deviation. 	
Market Operations – Participant Compensation Fund		
4.2	<p>AEMC proposes to amend rule 225 to expand the participant compensation fund cost recovery mechanism to include all quantities of gas withdrawn from the DTS and DDS.</p> <p>No changes were required to rules 226 and 227.</p>	No comment
Market Operations – Allocations & the Determination of Fees Payable to AEMO		
4.3	<p>AEMC proposes to amend rules 228, 229 and 230 to enable gas injected into distribution networks to be allocated to multiple market participants.</p> <ul style="list-style-type: none"> Rule 228 refers to the quantities of gas that require allocation, that is, injections into or withdrawals from the DTS. Draft rule includes injections into a declared distribution system within the quantities of gas that must be determined using allocation where there is more than one market participant injecting gas at a distribution injection point. Rule 229 refers to injection allocations and the draft rule which replaces references to system injection points with market injection points. The effect is to extend rule 229 to DDS injection points because the new term 'market injection point' encompasses both a system injection point (i.e. injection points on the DTS) and a DDS injection point. Rule 230 refers to withdrawal allocations. The rule already requires allocation to be used for distribution delivery points where there are insufficient metering installations installed to enable AEMO to determine the quantity of gas withdrawn at a distribution delivery point by each 	No comment.



Number	Recommendation	Response
	<p>market participant. However, there were some inconsistencies in the drafting and so the Commission has made a draft rule to clarify that allocation can be used both for withdrawals from the DTS and withdrawals from a DDS.</p>	
Market Operations – Default Notices & Market Suspension		
4.4	<p>Rule 259 relating to default notices and Rule 260 relating to suspension of a Market Participant expanded to incorporate DDS injection and withdrawal market participants</p>	<p>No comment, provides for level playing field and consistency between DTS and DDS participants.</p>
System Operations – Connections Framework		
5.1	<p>Rules 267 to 277 of the NGR cover the connection process to the DTS. These rules include obligations on the declared transmission system service provider, AEMO and the connecting party through the connection process.</p> <p>AEMC has determined to retain the DTS connections framework in NGR Part 19 unchanged due to AEMO and the DTS service providers (eg. APAs) respective roles. Extending this framework to DDS would expand these respective roles and the approach adopted is for AEMO not to have the same responsibilities it does in the DTS .</p> <p>For DDS connections, AEMC proposes to create new rules based on Pipeline Interconnection Principles to be included as part of the DRIS in the NGR subject to scheme and non-scheme pipelines.</p>	<p>No comment.</p>
System Operations – Threats & Interventions		
5.2	<p>The rules give AEMO wide powers to maintain system security including requiring market participants to do any reasonable act or thing that AEMO believes necessary</p>	<p>No comment.</p>



Number	Recommendation	Response
	<p>in the circumstances. In the event of an intervention where AEMO requires a registered participant to inject gas into the DTS, that participant may claim compensation if it incurs a loss in doing so. The rules also do specifically mention the powers available to AEMO for DTS facilities to inject off-specification gas into the DTS if required.</p> <p>Changes made to Rule 344 to include distribution connected facilities in the event AEMO needs to intervene and direct a DTS or DDS participant to inject and allows the market participant from the DDS to also claim compensation for losses made.</p> <p>The draft rule also amends rule 350 to include a declared distribution system with regard to registered participant claims in respect of the application of administered price cap.</p>	
System Operations – Gas Quality		
6.5	<p>Gas Quality Specifications</p> <p>Changes will allow distributors to modify the standard gas quality specifications by agreement, which may involve additional specifications compared to natural gas injections.</p> <p>It also requires the agreements at the distribution level to include AEMO where any part of the gas may be re-injected into the DTS and other distributors where any part of the gas may be injected into other declared distribution networks.</p> <p>Rule 287 has not been changed and continues to allow AEMO to approve alternative gas quality specification requirements at system injection points.</p> <p>Gas Quality Standards outlined in Rule 287 remain but only relate to DTS. A new rule 287A is for gas quality standards that relate to the DDS injection points. This is to reflect the fact that different entities are responsible for the quality of the gas being transported at the transmission and distribution levels.</p> <p>The draft rule also enables distributors to accept the delivery of off-specification gas if necessary to ensure the safety of the public or the safety, security and reliability of the DDS.</p>	<p>As outlined in our cover letter, APA believes that changes to the gas framework should create a level playing field amongst all players in the market and be agnostic as to where and how the gas production and injection develops.</p> <p>APA contends that if distribution connected facilities are to be traded and settled in the wholesale market then consistency in gas specification across the market should prevail. If there is capacity for altered gas specification in certain areas of the market, this could provide an incentive to establishing facilities in that area at the detriment to others. In addition, having different gas specifications will create confusion and uncertainty for consumers. A standard gas specification range which can apply throughout the markets would give flexibility to all participants but also certainty standard required and ensure all participants are bound by the same standard.</p> <p>APA notes that if downstream participants have a different standard this may restrict the ability of changes to gas quality standards be made by the DTS service provider upstream as Rule 287 allows for. This therefore gives downstream injectors and distribution providers an advantage. Potentially a distribution service provider could also agree a wider gas</p>



Number	Recommendation	Response
	<p>This arrangement mirrors AEMO's ability in the DTS.</p>	<p>specification with connected shippers downstream and reject injections at the CTP with the transmission system as sufficient blend is already met. This reform therefore has the potential to not only favour hydrogen over natural gas but also favour producers who connect within the distribution system leading to smaller and less economic production facilities than those that could establish further upstream.</p> <p>A consideration is also if flows reverse at any stage subject to scale, the DTS service provider would need to ensure the gas spec aligns with contractual arrangements in the DTS or have the ability to review or decline. A standard gas specification range would ensure consistency</p>
<p>6.5</p>	<p>Gas Quality Monitoring</p> <p><u>Gas Quality Monitoring Procedures & Requirements</u></p> <p>The draft rule requires AEMO to make <i>Gas quality Monitoring Procedures</i> which set out the application of the standard gas quality specifications in the DTS, the requirements for gas quality monitoring systems in the transmission and distribution level, and the arrangements for approvals and compliance with gas quality monitoring requirements in the DTS.</p> <p>New rules are proposed 298B, 289C, 289D, 289E, 289F, 289G, 289H.</p> <p>New Rule 289B <i>Gas Quality Monitoring Procedures</i> created to:</p> <ol style="list-style-type: none"> 1. obligate AEMO to make gas monitoring procedures for both DTS and DDS that provide for: <ol style="list-style-type: none"> (a) the application of the standard gas quality specifications in relation to the declared transmission system; (b) gas quality monitoring requirements, including: <ol style="list-style-type: none"> (i) monitoring standards; and (ii) the use of gas quality monitoring systems and other required gas quality monitoring measures; 	<p>APA is generally supportive of the proposed recommendations as it aligns the rules with current good operating practice. However some caution needs to be applied to not increase frequency of changes to requirements with obligations transitioned from rules to procedures.</p>



Number	Recommendation	Response
	<p>(c) the equipment to be included in gas quality monitoring systems and equipment standards;</p> <p>(d) the matters to be addressed in gas quality monitoring plans;</p> <p>(e) the process for making an election or seeking approval or consent from AEMO in accordance with this Subdivision;</p> <p>(f) arrangements for applying for temporary or permanent modifications to gas quality monitoring arrangements;</p> <p>(g) arrangement for monitoring compliance with gas quality monitoring arrangements;</p> <p>(h) testing of gas quality monitoring systems and the costs of tests; and</p> <p>(i) other matters AEMO reasonably considers necessary or desirable to deal with in the gas quality monitoring procedures relation to gas quality monitoring for the declared transmission system or operation of the Market.</p> <p>2. The gas quality monitoring procedures must be consistent with:</p> <p>(a) the standard gas quality specifications; and</p> <p>(b) any duty or requirement under an Act of a participating jurisdiction, or any instrument made or issued under or for the purposes of that Act, relating to gas quality or safety.</p> <p>3. The gas quality monitoring procedures may include information relating to the application of the standard gas quality specifications in a declared distribution system, where that information is available to AEMO.</p> <p><u>Nomination of a Gas Quality Monitoring Provider</u></p> <ul style="list-style-type: none"> Enables any registered participant to nominate to be the responsible gas quality monitoring provider, and provides for cost recovery from market participants using the market injection point. The new term 'responsible gas quality monitoring provider' refers to the person responsible for establishing and maintaining gas quality monitoring arrangements for market injection points. 	



Number	Recommendation	Response
	<ul style="list-style-type: none"> At a DDS injection point, the distributor may approve a change in the responsible gas quality monitoring provider if the existing provider ceases to elect to do so and another registered participant elects to be the provider <p><u>DDS Operators ability to curtail distribution connected facilities to maintain gas quality</u></p> <ul style="list-style-type: none"> Recognises distributors' responsibility to curtail distribution connected facilities if required to maintain gas quality safety in their networks. As described in section 3.4.4, the Commission has made a draft rule which requires distributors to curtail in accordance with the terms and conditions of their access arrangement, only in circumstances where it is permitted by law, or needed to mitigate or avoid threats to the reliability of gas supply, security of their network or public safety. <p><u>AEMO able to require gas monitoring systems at other points in DTS or DDS interconnection points</u></p> <ul style="list-style-type: none"> Gives AEMO the responsibility to require gas quality monitoring systems at other points in the DTS or transfer points between distribution networks. The Commission notes that distributors may similarly require gas quality monitoring systems at other points in their network which they are able to do independently as pipeline owners. <p><u>Gas Quality Monitoring Plans</u></p> <ul style="list-style-type: none"> Obliges the provider of a gas quality monitoring system to provide a gas quality monitoring plan to AEMO (for the DTS injection points, other DTS monitoring points and DDS transfers points) or the distributor (for a DDS injection point) and requires that these plans are complied with. Requires gas quality monitoring plans to address the requirements in AEMO's Gas quality monitoring procedures. Obliges market participants to only inject gas into a market injection point with approved gas quality monitoring plans. Requires a gas quality monitoring plan for a market injection point to identify the sources of gas reasonably likely to be injected at that point and requires 	



Number	Recommendation	Response
	<p>information about the precautions in place to prevent the delivery of gas to the market injection point that does not comply with the gas quality specifications.</p> <ul style="list-style-type: none"> Requires a gas quality monitoring plan to include an operation and maintenance plan to ensure the accuracy and reliability of each gas quality monitoring system covered by the plan. The operation and maintenance plan must include: <ul style="list-style-type: none"> (a) provision for the periodic testing and calibration of the gas quality monitoring system in accordance with standards specified in the gas quality monitoring procedures; (b) procedures for ensuring that the gas quality monitoring system will remain free from interference; and (c) provision for the storing of all data relating to the operation and calibration of the gas quality monitoring system. <p><u>Access to information</u></p> <ul style="list-style-type: none"> Obliges market participants to give AEMO or a distributor on request information, records and access to facilities that AEMO or the distributor reasonably requires in order to verify that the gas supplied at a market injection point complies with the applicable gas quality specifications and that reasonable precautions are in place to prevent the delivery of off specification gas (reflecting a similar requirement in the rules for the STTM) <p><u>Obligations on responsible gas quality monitoring provider</u></p> <p>The obligations on the responsible gas quality monitoring provider include:</p> <ul style="list-style-type: none"> ensuring approval of the gas quality monitoring system ensuring approval of the gas quality monitoring plan providing AEMO and any other affected market participant with all data and information relating to gas quality monitoring at the monitoring point (the Commission proposes this be classified as a conduct provision under the NGL). <p><u>The obligations on market participants include:</u></p>	



Number	Recommendation	Response
	<ul style="list-style-type: none"> only injecting gas into a market injection point with approved gas quality monitoring arrangements, contribute its proportionate share of the costs incurred by the responsible facility operator in establishing and maintaining approved gas quality monitoring arrangements for the market injection points, provide AEMO or the relevant distributor, on request, information, records and access to facilities to ensure reasonable precautions are in place to prevent the delivery of off-specification gas to a market injection point. 	
System Operations - Metering		
7.1	<p><u>Responsibility for Metering Installation</u></p> <p>Rule change to NGR 292 allows connected parties to elect to provide their own metering installations at receipt points or delivery points on declared transmission or distribution systems by nominating as the <i>Responsible Person</i> for metering installations.</p>	<p>The existing rule NGR 292 specifies “unless otherwise agreed” and that agreement must not be unreasonably withheld. The rule change removes the ability for Declared Transmission Service Provider to reasonably withhold agreement and only for the connecting party to provide notice. It would be prudent for a service provider to have grounds for metering installation responsibility where it makes operational sense to do so.</p>
7.2	<p><u>Metering Installation Coordination Procedures</u></p> <p>New rule 292A requires AEMO to make <i>Metering installation coordination procedures</i> outlining the obligations for providers of metering installations at system points and transfer points (settlement metering points) between declared distribution system points. These obligations relate to</p> <ul style="list-style-type: none"> temporary changes to metering installations, consequences for metering data failures, monitoring metering installations, audit requirements and investigating responses to notifications from AEMO regarding the accuracy of metering installations. 	<p>Whilst procedures may improve clarity for method of demonstrating Rules compliance, they may increase compliance burden and add cost where they are frequently altered. It will be important for these procedures to be consulted on broadly and not constantly changed to give industry certainty.</p>
7.3	<p><u>Responsibilities of the Responsible Person</u></p> <p>Changes to Rule 293 brings together into one rule the key obligations of providers of metering installations that are intended to ensure the integrity of metering data and the efficient operation of settlements. These cover obligations to:</p>	<p>No comment.</p>



Number	Recommendation	Response
	<ul style="list-style-type: none"> • monitor for the correct operation of metering installation • rectify any metering malfunctions as soon as practicable and in any event within two days unless AEMO agrees otherwise • for metering installations used for settlements: <ul style="list-style-type: none"> — monitor its metering installation on a regular basis in order to ensure that the installation is operating properly in accordance with this Subdivision — make test results available to AEMO and affected participants, — allow AEMO and each affected participant to inspect the installation, — allow AEMO to notify the responsible person of suspected issues affecting the metering installation in order to initiate the process of having it investigated and rectified, — require notice of changes that affect the integrity of the information being provided for settlements, and — ensure any extraneous use of a meter does not interfere with the provision of metering data to AEMO. • If the responsible person for a metering installation for a settlement metering point is notified by AEMO under subrule (4) or otherwise becomes aware that the accuracy of the metering installation does not comply with the requirements of this Subdivision or of any matter which could affect the integrity of the metering data or the use of the metering data for the Market, the responsible person must: <ul style="list-style-type: none"> — (a) notify all affected Participants and AEMO as soon as practicable; and — (b) arrange for the accuracy of the metering installation to be restored or for the metering installation to be reinstated, modified or replaced by such time as AEMO may reasonably determine so that the metering installation meets the requirements of this Subdivision. • The responsible person must within 2 business days after receiving a notice from AEMO under subrule (4) or otherwise becoming aware of any matter described in subrule (5): 	



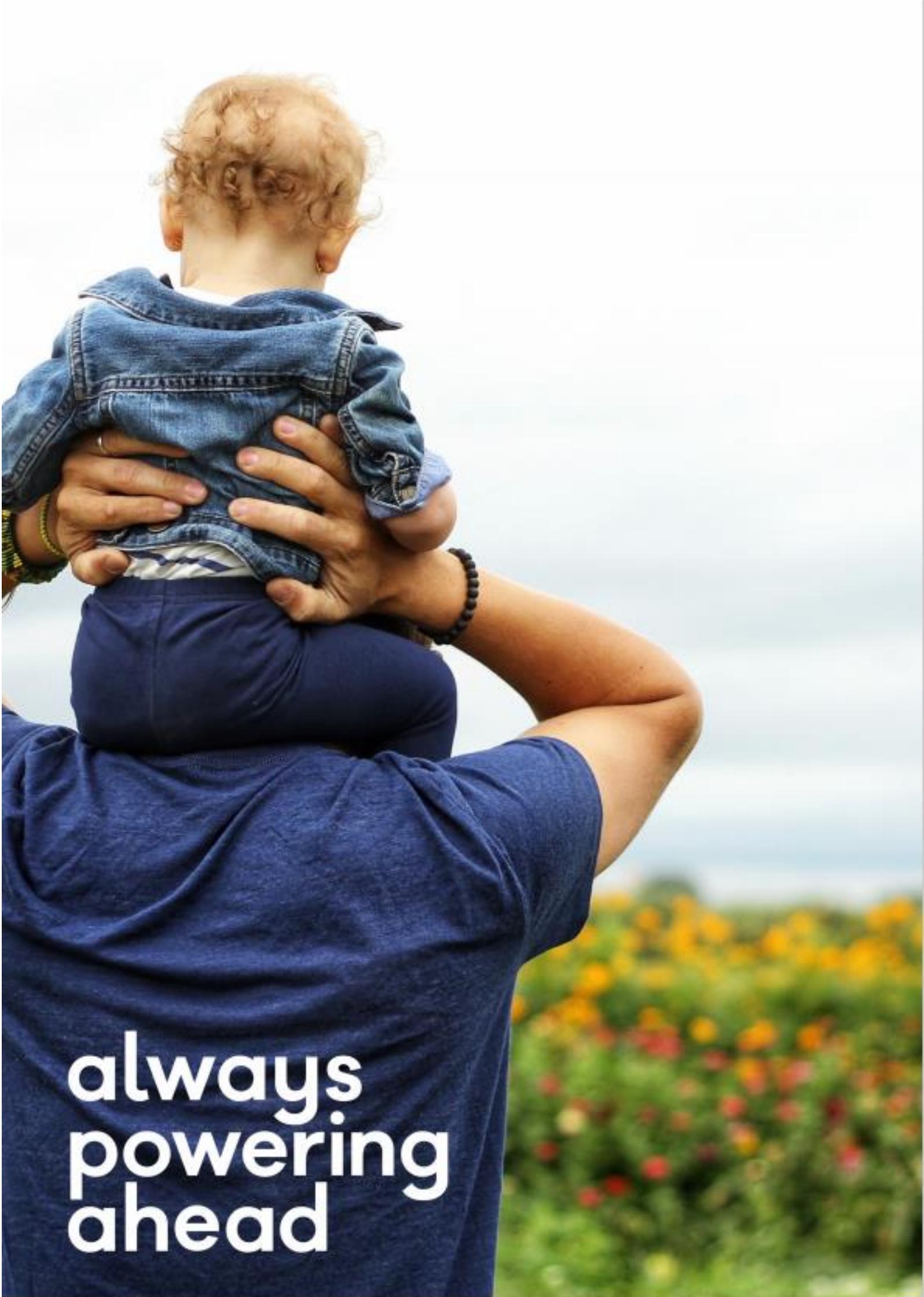
Number	Recommendation	Response
	<ul style="list-style-type: none"> — (a) provide a report to AEMO in relation to that matter containing the information in the metering installation coordination procedures; and — (b) where requested by AEMO, prepare an estimate of the actual quantity of gas transferred through the affected metering installation. — The responsible person for a metering installation for a settlement metering point — must notify all affected Participants and AEMO if practicable at least 7 days prior — to, and in any event 7 days after, any (including temporary) modification, — adjustment, repair or replacement of any of the metering installation (including — where the action may have an impact on metering accuracy or integrity) and the — notice must, if applicable, include a record of the readings of the relevant metering — installation at all relevant times. 	
7.4	<p><u>Calibration of Metering Installations</u></p> <p>Rule 299(2) requires the provider of a metering installation to ensure metering installations in the DTS are calibrated in accordance with the <i>Metering uncertainty limits and calibration requirements procedures</i>. Rule 299(3) requires AEMO to review the calibration requirements in the procedures at intervals not exceeding one year.</p> <p>Rule has been changed to:</p> <ul style="list-style-type: none"> • applies to settlement metering points which seem to capture all market injection points, system withdrawal point and system withdrawal zone. <ul style="list-style-type: none"> – <i>settlement metering point means a system point or a point where gas is transferred between declared distribution systems.</i> – <i>System point means a market injection point, a system withdrawal point or a system withdrawal zon</i> 	<p>APA would like to suggest altering NGR 299(9) to just provide a notice on the service provider’s website and/or via AEMO distributing a market notification (rather than written notice to all affected participants) 14 days prior to metering calibration. This is an administrative burden to maintain contact details of individuals of <i>all affected participants</i> that quickly go out of date.</p> <p>No other comment.</p>



Number	Recommendation	Response
	<ul style="list-style-type: none"> Changed AEMO's obligation to review calibration requirements contained in its <i>Metering uncertainty limits and calibration requirements procedures</i> at intervals not exceeding five years and not more than once a year. 	
7.5	<p><u>Security of Metering Equipment</u></p> <p>NGR 300 remains and only changed to obligate a registered participant and a <i>responsible person</i> to also notify all affected Participants if it finds evidence of tampering with a metering installation.</p> <p>Also updated that the registered participant or responsible person must as soon as practicable and in the case of a metering installation for a settlement metering point, within 2 business days, test the metering installation to ensure accuracy within parameters described in AEMOs <i>Metering Uncertainty Limits and Calibration Requirements</i>.</p>	<p>Whilst this may happen rarely and in limited circumstances, APA would like to suggest that the rule should include <i>within 2 business days or as agreed with AEMO</i> to vary from the 2 day requirement test.</p>
7.6	<p><u>Energy Metering & Measurement</u></p> <p>Rule 303 changed</p> <ul style="list-style-type: none"> Oblige DDS market injection points to have a metering installation that is capable of determining the energy content of gas flowing through the metering point. This is equivalent to an obligation on the DTS. 303(5) altered to remove references to energy content being in accordance with American Gas Association requirements. Now in accordance with <i>industry standards specified in AEMO's energy calculation procedures</i>. 	<p>No comment.</p>
7.7	<p><u>Data Used for Settlements</u></p> <p>Rule 316 added:</p> <ul style="list-style-type: none"> If there is inconsistency between the data held in a metering installation and the data held in the metering database, the data in the metering installation is to be taken as prima facie evidence of the energy data derived from that metering installation. 	<p>No comment</p>
7.8	<p><u>Zonal Heating Values</u></p>	<p>APA supports a full review of the current state-wide heating value approach in Victoria.</p>



Number	Recommendation	Response
	<p>AEMO has commenced with the implementation of a zonal approach to determining gas heating values in Victoria. AEMO will undertake a joint consultation with the Essential Services Commission to amend relevant market procedures as well as the <i>Victorian Gas Distribution System Code of Practice</i>. Formal consultation on the amendments to the market procedures is expected to commence in May 2022.</p>	
<p>Other Matters - Coordination with Declared Distribution Systems</p>		
8.1	<p><u>Operational Coordination between AEMO and Distributors</u> New rule 317A obligating AEMO to make procedures for <i>Distribution Operations Coordination Procedures</i> to cover methodologies for determining supply point constraints applicable at DDS injection points, information provisions to AEMO, confidentiality of information.</p>	No comment.
8.2	<p><u>Declared distribution system supply point constraints</u> New rule 317B (1) The distribution operational coordination procedures must set out arrangements for a Distributor to submit to AEMO, and for AEMO to assess and where applicable accept, a methodology to determine one or more supply point constraints (constraint methodology) that applies to DDS injection points and AEMO must take into account when determining operating schedules. (2) A constraint methodology may set a fixed constraint in respect of a DDS injection point, or may provide for the constraint to be determined having regard to operating conditions; and apply singular or to a collection of injection points.</p>	No comment.
8.3	<p><u>Curtailment in a declared distribution system</u> New rule 317C enabling a Distributor to curtail injection of gas into its DDS from a distribution connected facility in accordance with the terms and conditions of its access arrangement or other agreement with the distribution connected facility operator and in order to mitigate or avoid threat to reliability of gas supply, security of DDS or public safety.</p>	No comment.



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