
Jemena Gas Networks (NSW) Ltd Curtailment Methodology

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Document History

Revision			Description of Changes

Contact details

If you have any questions regarding this JGN Curtailment Methodology please contact JGN via rfs@jemena.com.au

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1. Background

- 1.1 Under the National Gas Rules¹, pipeline service providers (**Service Providers**) must prepare, publish and maintain a 'supplier curtailment methodology' that:
 - a) describes the circumstances in which the service provider may curtail the injection of covered gas at a receipt point, and
 - b) establishes a process for the curtailment of injections of covered gas at receipt points.
- 1.2 Jemena Gas Networks (NSW) Limited (JGN) has prepared this supplier curtailment methodology (Curtailment Methodology) in respect of the operation of Receipt Points injecting covered gas (gas) into the JGN Gas Distribution Network (Distribution Network).
- 1.3 For the purposes of this Curtailment Methodology, 'curtailment' is considered to be where action is taken to interrupt or reduce the flow of gas through a Receipt Point, which may involve the imposition of a limit, restriction or suspension (wholly or partially) of the injection of gas at the Receipt Point. This could be for example in response to an emergency or a specific threat to the reliability or quality of gas supply.
- 1.4 This Curtailment Methodology provides guidance for parties that are connected (or intend to connect) to the Distribution Network via a Receipt Point (Connecting Parties), and parties that acquire (or intend to acquire) transportation services from JGN under a Reference Service Agreement (Users).
- 1.5 While this Curtailment Methodology provides guidance on the circumstances where JGN may curtail the injection of gas into the Distribution Network, Connecting Parties and Users should also refer to any applicable agreement they have in effect with JGN. The application of this Curtailment Methodology is subject to the terms and conditions of an applicable agreement (and that may be in the form of a Connection Agreement, Reference Service Agreement or other negotiated agreement), and in the event of inconsistency the terms of the applicable agreement will apply.
- 1.6 Definitions for terms used in this Curtailment Methodology are contained at section 5 below.

2. Curtailment Principles

- 2.1. JGN's approach to curtailment of gas injection at Receipt Points and application of this Curtailment Methodology will be guided by the following principles ('JGN curtailment principles'):
 - a) JGN recognises that the renewable gas industry is evolving and this Curtailment Methodology will need to adapt to support the market for renewable gas as that market continues to grow.
 - b) JGN will not unfairly discriminate against Connecting Parties or Users, nor favour any of its associates.
 - c) JGN supports the safe, quality, reliable supply of gas to end-users.
 - d) JGN will not compromise community safety and the safety of its workforce.
 - e) JGN will not compromise the safety, integrity and reliability of the Distribution Network.
- 2.2. In operating the Distribution Network and making any decisions regarding curtailment JGN will comply with all Regulatory Requirements. JGN recognises that AEMO may have a role in making or directing curtailment decisions. JGN will comply with AEMO requirements for curtailment and any binding curtailment directions or requirements made under law.
- 2.3. This Curtailment Methodology outlines a number of circumstances where JGN may require the curtailment of gas injection at Receipt Points, and sets out some of the procedures that apply in the event of curtailment.
- 2.4. While this Curtailment Methodology provides guidance, it does not identify all the circumstances where JGN may need to curtail the injection of gas at Receipt Points. Furthermore, the processes JGN adopts in respect of any curtailment event may depend on the nature and gravity of the circumstances. Accordingly, there may be reasons to depart from standard processes. This Curtailment Methodology should be read in conjunction with JGN's Interconnection Policy (including JGN's standard Receipt Point Interconnection Agreement). Parties should also refer to any agreement they have in effect with JGN.

¹ See Rule 101B(2)(f).

3. Curtailment Circumstances

- 3.1. This section sets out circumstances under which JGN may determine to curtail the receipt of gas injection at a Receipt Point. It is not possible to be prescriptive about all the circumstances where it may be necessary for JGN to curtail the injection of gas at a Receipt Point. Furthermore, other considerations may arise as the renewable gas industry continues to evolve. In summary, JGN may curtail the injection of gas at Receipt Points where JGN considers:
- a) the gas being delivered or that may be delivered at a Receipt Point is **outside JGN's required gas quality, temperature or pressure specifications**;
 - b) the gas present in the Distribution Network is outside JGN's required gas **quality, temperature or pressure** specifications, or in the absence of curtailment will fall outside these specifications;
 - c) the loss of **access to signals** from gas quality and quantity monitoring devices means that JGN considers it is unable to accurately measure or verify the quantity or quality of gas being injected at a Receipt Point;
 - d) in the absence of curtailment, gas injected at a Receipt Point or present within the Distribution Network may breach the **Gas Blend Limits**;²
 - e) the curtailment of gas at a Receipt Point may assist with JGN's response to, or prevention of, an **emergency**, or prevent risk of injury or damage to any person or property (including the Distribution Network);
 - f) it is required to curtail under any lawful or binding request and where without curtailment, JGN may operate in breach of any Regulatory Requirement, including any **gas specifications required by law**;
 - g) that curtailment may assist with ensuring and maintaining **community safety**, the safety of JGN's workforce, the integrity and performance of end-user appliances, or the safety and integrity of the Distribution Network;
 - h) where JGN is required or entitled to curtail the injection of gas under **the terms of a Connection Agreement, Reference Service Agreement or other negotiated agreement**, including under any applicable Operating Protocol or in relation to a force majeure event or failure of Connecting party or User to make payments under an applicable contract;
 - i) where JGN requires a Connecting Party or User to curtail the injection of gas for **operational reasons** (for example for JGN to carry out works, repairs, testing, replacement, upgrading or maintenance activities).

4. Gas Blend Limits

- 4.1. At all times the blend of gasses injected at a Receipt Point or present in the Distribution Network must comply with applicable Gas Blend Limits, which are intended to ensure gas is safe for transport through the Distribution Network and safe for end-user appliances. JGN may curtail the injection of gas at Receipt Points to ensure compliance with Gas Blend Limits. The Gas Blend Limits require that gas injected into or transported through the Distribution Network:
- a) meets any applicable contractual requirements in respect of gas blends injected into or transported through the Distribution Network (including as set out in any applicable Connection Agreement, Reference Service Agreement, negotiated agreement or any associated directions issued by JGN);
 - b) must be within any prescribed blending limits published (and updated from time to time) by any relevant authority or regulatory body in NSW; and
 - c) meets all applicable Regulatory Requirements, including but not limited to: AS 4564 -2011 Specification for General-Purpose Natural Gas.

² Gas Blend Limits are defined in section 4.

5. Curtailment Process

5.1. Curtailment initiated by Connecting Party or User

If a Connecting Party or User detects or becomes aware of circumstances where under this Curtailment Methodology the injection of gas at a Receipt Point should be curtailed, they must take immediate action to:

- a) curtail and cease the relevant gas injections into the JGN Gas Distribution Network;
- b) take all reasonable endeavours to rectify the matters giving rise to curtailment; and
- c) notify JGN of the circumstances giving rise to curtailment.

5.2. Curtailment initiated by JGN

In the event JGN detects or becomes aware of a circumstance that gives rise to a decision by JGN to curtail gas injected at a Receipt Point, JGN may:

- a) take immediate action to cease acceptance of gas at the relevant Receipt Points,
- b) require Connecting Parties or Users to immediately undertake remedial action to address the reasons for curtailment,
- c) require Connecting Parties or Users to undertake an investigation into the circumstances that gave rise to curtailment and provide a written report to JGN within a reasonable timeframe specified by JGN, and
- d) require Connecting Parties or Users to provide all necessary assistance to JGN in order to address and investigate the matter.

5.3. Procedures in the event of Curtailment

In the event it is determined to undertake curtailment at a Receipt Point:

- a) JGN will provide advance notice if practicable in the circumstances prior to initiating curtailment, and otherwise will notify Users or Connecting Parties (as applicable) after curtailment advising of the reasons for curtailment;
- b) if requested by JGN, Connecting Parties must immediately ensure the inlet valve is shutoff and the Connecting Party's facility is isolated from the Distribution Network;
- c) JGN may without notice isolate the Distribution Network by operation of a remote or manual control valve;
- d) If at anytime Out-of-Specification gas, or gas that does not meet the Gas Blend Limits, remains in the Distribution Network, then curtailment or supply limitations from that Receipt Point may remain in force while an investigation is carried out and any remedial actions are completed. There may also be additional restrictions imposed by JGN or regulatory authorities; and
- e) Connecting Parties and Users must provide JGN such cooperation as might reasonably be required by JGN to support the ongoing maintenance and operation of the infrastructure related to the Receipt Point; and
- f) Following curtailment, JGN may work with all parties impacted to review the conditions that led to the curtailment circumstance occurring in order to assist parties in avoiding future curtailment.

Notwithstanding any circumstances, or matters addressed above, JGN may take appropriate actions as it considers reasonably necessary to prioritise and ensure community safety, performance of end-user appliances, and the safety, integrity and reliability of the Distribution Network.

5.4. Reinitiating supply through the Receipt Point

Once any remedial actions are completed and JGN considers that recommencing the injection of gas at a Receipt Point is safe and appropriate, then subject to the any process detailed in an applicable Operating

Protocol, JGN will notify the Connecting Parties and Users (as applicable) that the parties may initiate the procedures for reintroducing the injection of gas into that Receipt Point.

6. Definitions

6.1. The terms used within this document are defined below. Some of these definitions are adopted from the National Gas Law or the National Gas Rules. Where the meaning of these terms is amended in the National Gas Law or National Gas Rules subsequent to publication of this version of the Curtailment Methodology then the updated meanings used in the National Gas Law or National Gas Rules will apply:

Term	Definition
Connection Agreement	means the contract between JGN and a connecting party to establish a Receipt Point into the Distribution Network.
Covered Gas (gas)	means the following— (a) a primary gas; (b) a gas blend; (c) a gas, or a blend of gases, prescribed as a covered gas in a participating jurisdiction by a local regulation of the participating jurisdiction;
Curtailment	means where action is taken to interrupt or reduce the flow of gas through a Receipt Point, which may involve the imposition of a limit, restriction or suspension (wholly or partially) of the injection of gas at the Receipt Point.
Emergency	means risk of injury or damage to any person or property (including the Distribution Network), or any threat to safety or other emergency type situation.
Gas Blend Limits	means the requirements set out at section 3.1 of this Curtailment Methodology.
Gas Specifications	means the characteristics and quality of the gas, including composition, temperature and pressure, that are required to ensure the reliable operation of the Distribution Network and performance of end-user appliances as applicable under the Reference Service Agreement and includes specifications prescribed by law.
JGN Gas Distribution Network (Distribution Network)	means JGN's distribution system in New South Wales, consisting of a system of pipes and associated facilities including any Receipt Station components, delivery station components and measuring equipment owned by JGN.
National Gas Law	means the National Gas Law adopted under the <i>National Gas (New South Wales) Act 2008 (NSW)</i>
National Gas Rules	means the National Gas Rules adopted under the <i>National Gas (New South Wales) Act 2008 (NSW)</i>
Primary Gas	means the following— (a) natural gas; (b) hydrogen; (c) biomethane; (d) synthetic methane; (e) a gas prescribed by the Regulations for the purpose of this definition
Operating Protocol	means an applicable operating protocol in respect of a Receipt Point agreed between JGN and Connecting Parties under a Connection Agreement.
Receipt Point	means a point at which gas is received into the Distribution Network.
Reference Service Agreement	means the contract between JGN and a User for the provision of the Reference Service as set out in JGN's Access Arrangement.
Regulatory Requirements	means standards, laws, rules, regulations, orders, specifications, authorisation, licence and other instruments applicable to acquiring and providing pipeline services.
Standards	means industry recognised technical documents, including but not limited to those published under the banner of Australian Standards (AS), International Standard Organisation (ISO) or their equivalents, including the Standards set out at section 7 of this Curtailment Methodology.

7. Abbreviations

Abbreviation	Definition
JGN	JGN Gas Networks (NSW) Limited
AEMO	Australian Energy Market Operator

8. Related / Reference Documents

8.1 Internal References

Document No.	Document Title
https://www.jemena.com.au/siteassets/asset-folder/documents/gas/jgn-interconnection-policy-final-incl-tcs.pdf	JGN Interconnection Policy
https://www.jemena.com.au/siteassets/asset-folder/documents/gas/jgn-access-arrangement-2020-2025.pdf	JGN's Access Arrangement
https://www.jemena.com.au/siteassets/asset-folder/documents/documents/gas/rsa-03-june2020_clean_v2_approved-by-aer.pdf	JGN's Reference Service Agreement

8.2 Regulatory Requirements / External References / Standards

This is not an exclusive list of Regulatory Requirements however Connecting Parties and Users should ensure they are familiar with all applicable Regulatory Requirements including, but not limited to:

- AS 4564 Specification for General-Purpose Natural Gas
- AS/NZS 4645 Suite
- AS/NZS 2885 Suite
- *Gas Supply Act* 1966 (NSW) and associated regulations
- *Pipelines Act* 1667 (NSW) and associated regulations
- National Gas Rules
- National Gas Law