

Our Ref: 11751710
Contact Officer: Jeremy Llewellyn
Contact Phone:
Date: 17 December 2020

Andrew Pankowski
C/O - COAG Energy Council
GPO Box 787
CANBERRA ACT 2601

Dear Mr Pankowski

Consultation on Draft Regulatory Amendments (Gas Market Transparency Measures)

Thank you for the opportunity to comment on the Draft Regulatory Amendments promoting increased transparency in Australia's East Coast gas markets.

The AER has regulatory oversight of the National Gas Rule/Law requirements that underpin functioning of the Natural Gas Service Bulletin Board (Bulletin Board) and monitors the facilitated gas markets, whose users rely on timely access to accurate Bulletin Board data. Recognising the importance of transparency to investment, market development and consumer interest, the AER also regularly publishes market performance analysis¹, as well as updates to its gas market statistics².

The AER supports the proposed measures to address information deficiencies and to strengthen the regulatory regime regarding data submissions. Transparency is important for the efficient allocation of gas and infrastructure services and also to support investment as the gas market continues to undergo rapid change. Transparency is also important for government decision making given the numerous market reforms being considered and implemented. However, gas market observers have lacked key information, with data reporting fragmented, particularly around gas supply and availability.

The AER endorses the application of new civil penalty tiers to promote improved data quality and to give confidence to users of information. The proposed measures and higher penalties help to support the AER's strategic objective of driving effective competition through more transparent and timely access to information. Importantly, the AER enforces information standards on data submissions to the Bulletin Board to promote confidence in gas market data and will engage with industry on the proposed new reporting requirements to ensure the transparency objectives are fully met.

The AER also welcomes the proposed expansion to its functions. The proposed AER gas price reporting function is consistent with our strategic objective of using our expertise to inform debate about Australia's energy future.

Finally, we note two specific issues that have been raised as part of this consultation:

¹ See aer.gov.au/wholesale-markets/market-performance

² See aer.gov.au/wholesale-markets/wholesale-statistics

- We support the option to report LNG facility trades earlier to ensure the data submissions are timely and reflect an accurate assessment of prices at a given time
- We raise a point of clarification on the reporting requirements in relation to offshore gas fields in the NT. In particular, whether an offshore NT field may have to report reserve and resource estimates for the time it is not connected to an exempt gas facility. It is unclear from the drafting if undeveloped fields such as the Barossa would have to report for a period of time until they are established and connected to an exempt facility.

If you have any questions about this submission, please contact Jeremy Llewellyn.

Yours sincerely,

Craig Oakeshott
A/g General Manager – Market Performance Branch
Australian Energy Regulator