

Department of Industry, Science, Energy and Resources
Measures to Improve Transparency in the Gas Market
Via email: gas@industry.gov.au

To whom it may concern,

Measures to Improve Transparency in the Gas Market: Proposed legal package to give effect to Decision Regulation Impact Statement

Thank you for the opportunity to comment on the proposed legal package to give effect to the Decision Regulation Impact Statement on gas transparency measures (Decision RIS). Specifically, we would like to comment on the drafting regarding reporting for a 'facility development project', sometimes referred to as a proposed development, extension or expansion.

AGIG is one of Australia's largest gas infrastructure businesses, incorporating the operations of Australian Gas Networks (AGN), Dampier Bunbury Pipeline (DBP) and Multinet Gas Networks (MGN). We have over two million customers across every Australian mainland state and the Northern Territory. Our assets include 34,000km of gas distribution networks, over 4,000km of gas transmission pipelines and 57PJ of storage capacity.

We support further transparency regarding pipeline developments and the general intent of the Decision RIS on this issue. However, we believe the *Draft National Gas (South Australia) (Market Transparency) Variation Rules 2020* (the Draft Rules) relating to proposed developments could be improved to provide further clarity to developers of natural gas facilities.

Our concerns relate to the proposed definition of a 'facility development project' (Draft Rule 141(1)) and the as yet undefined 'criteria in the BB Procedures to be classified as a proposed development' (Draft Rule 152(2)(a)).

The proposed definition of a 'facility development project' (Draft Rule 141(1)) is broad with no further definition as to what constitutes a 'proposed development' contained in the Draft Rules. Furthermore, the requirement to register as a facility developer (Draft Rule 152(2)(a)) first requires an assessment of a facility development against criteria to be included in the BB Procedures.

The Draft Rules regarding the content of the criteria leave the term proposed development undefined. This means a proposed development could include projects in the very early stages of planning depending on the criteria adopted. The Draft Rules should more specifically define a proposed development while allowing criteria to be defined in the BB Procedures within the framework of the NGR.

The National Electricity Rules (NER) have a more specific framework for reporting of proposed developments which we suggest form the basis of the Draft Rules relating to proposed gas developments. The Decision RIS specifically refers to NER 3.13.3A noting this Rule contains a similar reporting obligation to that proposed in the Draft Rules. However, the NER provides further guidance for proposed generating units and network developments.

NER 3.13.3A requires reporting of proposed developments:

- 'for which formal commitments have been made for construction or installation' (NER3.13.3A(a) (2) and (6));

or

- 'for which formal commitments have not been made for construction or installation, to the extent it is reasonably practicable to do so' (NER3.13.3A(a) (3) and (7)).

Through these provisions the NER provides greater clarity as to what is considered a proposed development, without undue specificity. These provisions provide AEMO with guidance to develop criteria for the Electricity Statement of Opportunities, which we believe are appropriate. For developments without commitments to construction or installation the caveat in the NER that reporting is only required 'to the extent it is reasonably practicable to do so', also enables facility developers to consider what is reasonable to report taking into account potential commercial-in-confidence information.

As it stands, the Draft Rules relating to gas could require reporting of projects at a much earlier stage than is required under the NER. The NGR should be more specific than the Draft Rules propose. We therefore suggest proposed developments in the Draft Rules be defined using drafting similar to that in the NER as outlined above. Preferably, only those developments that are committed should be captured by the reporting framework.

Once again thank you for the opportunity to comment on the proposed legal package relating to the Decision RIS on gas transparency measures. Should you have any questions about this submission please contact Drew Pearman, Manager Policy and Government Relations

Yours sincerely,

Craig de Laine
General Manager People and Strategy