

Attachment B: Stakeholder feedback template

Submission from AGL Energy Limited

1. National Gas Rules Amendments

Amendment	Feedback
Part 17 Miscellaneous provisions relating to the AER	
Rules 140B(2) and (3).	<p>Further clarification is required on the proposed methodology to be used. Which of the following two options will be used to calculate the LNG netback price?</p> <ul style="list-style-type: none"> a) a lagged 3 month average of Brent or WTI oil prices or b) based on Platts JKM? <p>The methodology and benchmarks used must be clearly communicated.</p>
Rule 140B(1), rule 140B(4) & Rules 140B(2) and (3)	<p>Once again clarification is required as to whether the prices reported will be a delayed report of the prices obtained or an estimate of prices particularly for long term pricing of LNG.</p>
Rules 140B(2) and (3).	<p>In terms of the reporting functions (short term gas supply agreements, short term gas swaps, AER gas price reporting function (prices paid under GSAs etc)) the proposed consumption threshold for excluding residential and business customers is 10TJ p.a. which is less than the current 0.5PJ p.a. used in the East Coast Gas Inquiry. AGL would request that the AER mirror the threshold used in the ACCC inquiry or provide an explanation and rationale for the substantial change in this threshold requirement.</p> <p>It is simple to compare standardised products and monitor trends over time. This is not the case with bespoke GSAs, which cannot be easily compared. Variations in the percentage of take-or-pay; load factors (MDQ/DCQ); receipt Point location; receipt Point flexibility; renomination rights; maintenance Days; permitted Interruptions; banking rights; term duration; can all influence the price. These terms have value as they shift certain risks between the parties to the GSA and it is not possible for AEMO to aggregate these contracts and publish information on the Bulletin Board in a way that is accurate and comparable over time.</p>
Part 18 Natural Gas Services Bulletin Board	

Amendment	Feedback
Rule 188A(2).	This requirement should mirror rule 194 (1)(d) 7.2.1 for export facilities reporting of shipment information. Both LNG import and export facilities' shipment information should not be published before 20 business days after the end of the month in which the LNG was loaded or unloaded. This is to ensure that the competitive nature of the importation or exportation of LNG is maintained.
Amendments to the definition of 'daily capacity' in rule 141(1) and 'nameplate rating' in rule 141(2)(a).	For a floating storage regassification facility the quantity of LNG that can undergo regassification and withdrawn will depend on how many regassification units are being used. FSRUs typically carry 3 regasification units but these can only be operated if they are cooled down, which may take 12-15 hours for each one. The use of these units will vary from day to day so there will be considerable variation. In addition, what unit(s) will the LNG be reported in?
Detailed facility information: Include LNG processing facilities in rule 169(4)(b). 36-month uncontracted capacity outlook: Paragraph (b) of the new definition 'uncontracted primary capacity' covers LNG import facilities. Rule 175	The uncontracted capacity reporting for LNG import projects should mirror the proposed approach for production facilities uncontracted capacity outlooks. Namely that the following proviso should be included: " Note that the term 'uncontracted capacity' is defined as primary capacity that the facility operator has available for sale or will have available for sale, so for those production facilities that are not providing third party access, the uncontracted capacity will be reported as zero."

2. Policy clarifications

Sections 6.1.1, 7.2.1 and 8.6 of the Consultation Paper set out a number of policy clarifications that have been made since the DRIS was published. If you would like to provide feedback on any of these clarifications, please do so in the table below.

Consultation paper section	Amendment	Issue	Feedback
6.1.1	Rule 143A(2A).	Northern Territory offshore reserves and resources	AGL queries if the concept of supply is based on a contractual arrangement to supply gas or a physical supply of gas? As Darwin LNG provides emergency gas to the Northern Territory gas market will this supply trigger the removal of their exemption?
8.6	Rules 182(1), 183(1) and 185(1)	Facility operators reporting of forecast nominations	The use of forecast nominations can be potentially misleading as it so provisional and subject to change. There are also concerns with additional regulation should any change to those nominations and/or forecasts not be communicated in time.