

## Attachment B

## Stakeholder feedback template

### Submission from *Shell Australia*

The template below has been developed to enable stakeholders to provide feedback on the draft amendments to the NGL, Regulations and NGR. ESOM strongly encourages stakeholders to use this template, so that it can have due regard to the views expressed by stakeholders on each issue.

### 1. National Gas Law Amendments

Section	Feedback
[Insert section and subsection reference]	No specific comment

### 2. National Gas Regulations Amendments

Section	Feedback
[Insert regulation reference]	No specific comment

### 3. National Gas Rules Amendments

Amendment	Feedback
<b>Part 15B Procedures</b>	
	As a general comment, we suggest the Energy Council ensures the consultation process run by AEMO provides industry with adequate time to input into the develop of new procedures that in some instances address the management of confidential information .
<b>Part 15D Gas statement of opportunities</b>	
	It is unclear if the penalty requirements align with those in place for the Electricity Statement of Opportunities. These should be consistent and aligned and there is no reason gas industry participants should be subject to higher penalty requirements relative to related sectors.
<b>Part 17 Miscellaneous provisions relating to the AER</b>	
	It is unclear why the AER is being asked to report short-term gas agreement transactions when this information will be made available on the Bulletin Board (BB). We recommend the insertion of a broad statement that that anything reported to the BB is not also collected and published by the AER.

Amendment	Feedback
<b>Part 18 Natural Gas Services Bulletin Board</b>	
147(1)(g)	It is proposed that facility development projects are reported to the BB whereby a reporting entity has an obligation to provide this information and keep it up to date, this includes an obligation to register as a BB reporting entity. This category of information has also been included in the GSOO survey and in keeping it a part of GSOO rather than on the BB, would avoid the need for a facility developer to register as a BB reporting entity until a later date. This would also align with information of this kind included in the annual Electricity Statement of Opportunities (ESOO) process, highlighting also that information of this nature does not change on a frequent basis and avoids duplication of reporting. The inclusion of this information in both GSOO and on the BB appears to be a duplication in reporting.
141(1) "material change" definition	The proposed change to the definition of material change for short term capacity outlooks and nominations or forecasts is a substantial one. This significantly decreases the threshold for material changes that in turn requires the BB reporting entity to update the information on the BB at a much higher frequency, consequently increasing the reporting burden for facility operators. Shell strongly suggests the previous definition for material change be retained in order to allow facility operators some room for intraday fluctuations that inevitably occur with gas infrastructure, nominations or forecasts.
190CA (2)	The proposed reporting timeframe for short term LNG export transactions is not practical and in many cases not possible. Shell proposes a minimum of 14 business days (or as close as possible to the AEMO 20 day publication date) to allow sufficient time for information gathering most notably where operators report on behalf of any joint venture partners.
190CB (3)	Shell proposes the reporting timeframe be a minimum of 2 business days after the transaction execution date to allow participants time to process this in their systems (allowing for internal deal entry timeframes as well as verification processes) and flow through to reporting systems. The current proposed timeframe of 1 day after transaction date may not leave participants enough time after their internal deal entry timeframes and to allow this to flow through to reporting systems.
190CB (1)	Where this requirement overlaps with those in the ACCC's gas inquiry, it is Shell's expectation that information on AEMO's BB would be used by the ACCC in order to reduce the compliance burden where possible.
195C	Subject to consultation on AEMO aggregation methods, Shell has significant concerns around proposed aggregation methods in particular for BB short term gas transactions, whereby a small number of participants may trade or have access to a location, thus publishing this data even in aggregate form, can disclose enough information for the market to ascertain who is behind the trade(s) (either on the buy or sell side) if they are not at notional / liquid delivery points. Even if data is aggregated before being published, it will be possible in many instances to deduce the identities of parties to a trade, given the relatively small number of players (identities of whom are generally known) operating at each trading location or within a region. If identities are able to be deduced, commercially sensitive information about a participant's trading position and its strategies may be revealed to its competitors (e.g. a trading strategy dependent on multiple transaction legs). This can erode the ability of a participant to effectively execute its trading or optimisation strategies (especially if the information about a transaction is to be published before the transaction supply period has started), and could lead to a reduction in short term trading. Furthermore, there is a real risk that the average price produced by the aggregation of different contracts (with different terms including different delivery points or flexibility) could be misleading and confuse users of the information.
Definitions	Shell strongly recommends the Energy Council consider the use of "related parties" definition instead of "closely related entity" under section 50 of the <i>Corporations Act 2001 (Cth)</i> . This is the same test that applies for companies to not be considered competitors of each other under the <i>Competition and Consumer Act 2010</i> .

Amendment	Feedback
Part 18A Compression and storage terms and prices	
[insert rule and sub-rule reference]	No specific comment

## 4. 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	No specific comment
7.2.1	Rule 188A(1).	Reporting times for LNG export facilities	No specific comment
8.6	Rules 182(1), 183(1) and 185(1)	Facility operators reporting of forecast nominations	No specific comment

## 5. Transitional arrangements

Section 10 of the Consultation Paper sets out the proposed transitional arrangements. If you would like to provide feedback on any of these transitional arrangements, please do so in the table below.

Transitional measure	Feedback
	No specific comment

## 6. Incidental amendments to Parts 15B and Part 18 of the NGR

Section 11 of the Consultation Paper sets out a number of incidental rule amendments that have been identified for Part 15B and Part 18 of the NGR. If you would like to provide feedback on any of these incidental amendments, please do so in the table below.

Amendment	Feedback
	No specific comment

## 7. Proposed civil penalty provisions

Section 12 of the Consultation Paper sets out the proposed tiers for the list provisions in the Law and Rules that are proposed to be classified as civil penalty provisions. These are based on the proposed classification of tiers for the reform of the Australian Energy Regulator Civil Penalty Regime, which was released for public consultation in July 2020. Energy Ministers' approval of the final classification of tiers, Decision Matrix and Concepts Table is anticipated in late 2020 or early 2021. If you would like to provide feedback on the proposed tiers, please do so in the table below.

Section or rule	Feedback on proposed tiers
	See comments relating to the GSOO above

## 8. Potential duplication reduction in the National Gas Law

While not part of the Draft Bill or within scope of the transparency regulatory impact statement, the table in section 13 of the Consultation Paper identifies a number of areas in the Law that would benefit from the removal of some of the duplication that has emerged over time. If you would like to provide feedback on any of the proposed changes, please do so in the table below.

Item number	Feedback on potential changes
	No specific comment