



Draft National Gas Amendment (Harmonising the national energy rules with the updated national energy objectives) Rule 2024

The Australian Energy Market Commission makes the following Rule under the National Gas Law to the extent applied by:

- (a) the *National Gas (South Australia) Act 2008* of South Australia;
- (b) the *National Gas (ACT) Act 2008* of the Australian Capital Territory;
- (c) the *National Gas (New South Wales) Act 2008* of New South Wales;
- (d) the *National Gas (Queensland) Act 2008* of Queensland;
- (e) the *National Gas (Tasmania) Act 2008* of Tasmania;
- (f) the *National Gas (Victoria) Act 2008* of Victoria;
- (g) the *National Gas (Northern Territory) Act 2008* of the Northern Territory;
- (h) the *National Gas Access (WA) Act 2009* of Western Australia;
- and
- (i) the *Australian Energy Market Act 2004* of the Commonwealth.

Anna Collyer
Chairperson
Australian Energy Market Commission

Draft National Gas Amendment (Harmonising the national energy rules with the updated national energy objectives) Rule 2024

1 Title of Rule

This Rule is the *Draft National Gas Amendment (Harmonising the national energy rules with the updated national energy objectives) Rule 2024*.

2 Commencement

This Rule commences operation on 1 February 2024.

3 Amendment to the National Gas Rules

The National Gas Rules are amended as set out in Schedule 1.

4 Savings and Transitional Amendment to the National Gas Rules

The National Gas Rules are amended as set out in Schedule 2.

Schedule 1 Amendment to the National Gas Rules

(Clause 3)

[1] Rule 3 Interpretation

In Rule 3, insert the following definitions in alphabetical order:

emissions reduction targets means targets set by a participating jurisdiction:

- (a) for reducing Australia's greenhouse gas emissions; or
- (b) that are likely to contribute to reducing Australia's greenhouse gas emissions,

including the targets stated in the *targets statement*.

targets statement has the meaning given in section 72A of the *NGL*.

[2] Rule 39A Exemption (Section 136A(3) of NGL)

In rule 39A(3)(a), after "expansion is positive", insert ", subject to subrules (4) and (5)".

[3] Rule 39A Exemption (Section 136A(3) of NGL)

In rule 39A(3)(b)(iv), omit "demand for services." and substitute "demand for services; or".

[4] Rule 39A Exemption (Section 136A(3) of NGL)

After rule 39A(3)(b)(iv), insert:

- (v) to contribute to meeting *emissions reduction targets*.

[5] Rule 39A Exemption (Section 136A(3) of NGL)

In rule 39A(3), omit "(c)" and substitute "(4)".

[6] Rule 39A Exemption (Section 136A(3) of NGL)

After rule 39A(4), insert:

- (5) Notwithstanding subrule (4), consideration is to be given to the economic value of changes to Australia's greenhouse gas emissions, regardless of whether or not the economic value accrues directly or indirectly to the service provider, producers, users or end users.

[7] Rule 69 Interpretation

In rule 69, omit the definition of **operating expenditure** and substitute:

operating expenditure means operating, maintenance and other costs and expenditure of a non-capital nature incurred in providing pipeline services and includes:

- (a) expenditure incurred in increasing long-term demand for pipeline services and otherwise developing the market for pipeline services; and
- (b) expenditure that contributes to meeting *emissions reduction targets*.

[8] Rule 79 New capital expenditure criteria

In rule 79(1)(a), after "lowest sustainable cost of providing services", insert "in a manner that contributes to meeting *emissions reduction targets*".

[9] Rule 79 New capital expenditure criteria

In rule 79(2)(a), after "expenditure is positive", insert ", subject to subrules (3) and (4)".

[10] Rule 79 New capital expenditure criteria

After rule 79(2)(c)(iv), insert:

- (v) to contribute to *emissions reduction targets* through the supply of services; or

[11] Rule 79 New capital expenditure criteria

After rule 79(3), insert:

- (4) Notwithstanding subrule (3), consideration is to be given to the economic value of changes to Australia's greenhouse gas emissions, regardless of whether or not the economic value accrues directly or indirectly or to the service provider, producers, users or end users.

[12] Rule 91 Criteria governing operating expenditure

In rule 91(1), after "lowest sustainable cost of delivering pipeline services", insert "in a manner that contributes to meeting *emissions reduction targets*".

Schedule 2 Savings and Transitional Amendment to the National Gas Rules

(Clause 4)

[1] Schedule 1 Transitional Provisions

In Schedule 1, after Part 17, insert:

Part 18 Transitional provisions consequent on the National Gas Amendment (Harmonising the national energy rules with the updated national energy objectives) Rule 2024

[100] Definitions

For the purposes of this Part 18:

Amending Act means the *Statutes Amendment (National Energy Laws) (Emissions Reduction Objectives) Act 2023*.

Amending Rule means the *National Gas Amendment (Harmonising the national energy rules with the updated national energy objectives) Rule 2024*.

distribution consultation procedures means the procedures set out in Part G of Chapter 6 of the *NER* (provided that any reference to the Rules in the distribution consultation procedures is taken to be a reference to the National Gas Rules made under Chapter 9 of the *NGL*).

[101] Updates to AER guidelines

- (1) By no later than 1 July 2024, the AER must commence the process for updating and *publishing* any instruments and guidelines required under these rules to take into account the Amending Act and the Amending Rule, where in the AER's reasonable opinion:
 - (a) the updates are unlikely to have a significant effect on a gas market or on the activities of the Registered participants to whom the updates relate; or
 - (b) the updates are not unlikely to have a significant effect on a gas market or on the activities of the Registered participants to whom the updates relate.
- (2) The AER must undertake consultation on the instruments and guidelines in subrule (1)(a) using the distribution consultation procedures, and may do so as either:
 - (a) a single process; or

- (b) multiple processes, applied to each instrument or guideline separately or in groups.
- (3) The AER must undertake consultation on the instruments and guidelines in subrule (1)(b) using the consultation process specified in these rules for the relevant instruments or guidelines, and may do so as either:
 - (a) a single process; or
 - (b) multiple processes, applied to each instrument or guideline separately or in groups.