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[REDACTED] [REDACTED]
11 April 2023
[REDACTED]
[REDACTED]

By email: [REDACTED]

Dear [REDACTED]

Re: Exemption Application under part 23 of the National Gas Rules (NGR)

I am writing in relation to your application of 21 February 2023 for exemptions under Part 23 of the NGR for the Bomaderry Gas Pipeline. We note that the Bomaderry Gas Pipeline is a new pipeline and is seeking Category 1 and Category 2 exemptions under Part 23 of the NGR.

As you are aware, Part 23 of the NGR was recently revoked and has been superseded by Part 10 of the NGR as part of the gas reforms. However, for the purposes of your exemption application, Part 23 of the NGR continues to apply.¹ Accordingly, we have assessed the application and determined to grant Bomaderry Gas Pipeline an exemption under Category 1 and Category 2 under Part 23 of the NGR.

The gas reforms provide for exemptions under Part 23 to transition to exemptions under Part 10. As such, we advise Shoalhaven Starches that, effective immediately, Bomaderry Gas Pipeline is deemed to have been granted a Category 1 exemption under Part 10 of the NGR. This exemption is valid for 5 years and will expire on 10 April 2028.

Please note that there are some differences between Part 23 and Part 10 exemptions with regards to what information exemption holders are required to publish. We encourage Shoalhaven Starches to review the NGR to satisfy itself as to its reporting obligations.

We provide further details about the transition to a Part 10 exemption below.

Gas pipeline regulation reforms

Gas pipeline regulation reforms to the National Gas Law (NGL) and NGR were recently proclaimed and have now come into effect². Rule 12 of Schedule 6 of the NGR describes how a holder of an exemption under Part 23 (which has now been repealed) will be taken to have been granted an exemption under the new Part 10 of the NGR.

¹ NGR Version 68, r. 25 of Schedule 6.

² The gas pipeline regulation reforms are contained in the *Statutes Amendment (National Energy Laws) (Gas Pipelines) Act 2022 (SA)* which came into operation on 2 March 2023, and the *National Gas Rules (Gas Pipelines) Amendment Rules 2023 (SA)* which was gazetted on 16 March 2023 and are consolidated into version 68 of the NGR.

Based on the information provided by Shoalhaven Starches in its Part 23 exemption application of 21 February 2023, we have identified that the following exemptions granted in respect of the Bomaderry Gas Pipeline may be affected by recent changes to Parts 10 and 23 of the NGR:

- Category 1 exemption:
 - There are no provisions for former Part 23 Category 1 exemptions to be transitioned to the new Part 10.
 - Category 1 exemptions therefore ceased to have effect from 16 March 2023.
- Category 2 exemption (based on no third-party access):
 - Under rule 12 of Schedule 6 of the NGR, the holder of a Category 2 exemption granted under Part 23 of the NGR in relation to a pipeline that is not a third-party access pipeline, will be taken to have been granted a Category 1 exemption under Part 10 Div 2 Subdiv 2 of the NGR (as in force after 2 March 2023).
 - This means that under the new rules, exempt pipelines are not obligated to publish all information under Subdiv 1 of Division 2 of Part 10 in relation to the pipeline.
 - Service providers under Part 10 Category 1 exemptions are exempt from the requirement to publish a user access guide and are also exempt from ss 139, 140, 141, 147 and 148 of the NGL (per NGR rule 35).

Shoalhaven Starches' existing Category 2 Part 23 exemption transitioned to a Category 1 exemption under Part 10 on 11 April 2023³, and will continue to remain valid until 10 April 2028, unless otherwise varied or revoked by the AER sooner. Going forward, applications for new exemptions must be made under the new Part 10 of the NGR.

As set out in Rule 102⁴, please notify the AER without delay if circumstances change such that a pipeline no longer qualifies for the exemption granted.

Rule 102 also requires the AER to establish, publish and maintain a register of exemptions. The register will be updated to reflect the exemption for Bomaderry Gas Pipeline. Please do not hesitate to contact AERnonschemeexemptions@aer.gov.au if we can be of any further assistance.

Yours sincerely



Sent by email on: 11.04.2023

³ NGR Version 68, r. 12(2) of Schedule 6.

⁴ NGR Version 68, Part 10 Division 2 Subdivision 2 r. 102