



3 April 2014

Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235

Via www.aemc.gov.au

Dear Mr Pierce,

National Gas Bulletin Board Capacity Outlooks

Alinta Energy welcomes the opportunity to make a submission in response to the Australian Energy Market Commission's (AEMC) consultation paper: *National Gas Amendment (National Gas Bulletin Board Capacity Outlooks) Rule 2014* as proposed by the Australian Energy Market Operator (AEMO).

Alinta Energy understands there are some identified concerns surrounding the existing information adequacy displayed on the gas bulletin board.

Alinta Energy understands the proposed rule change seeks to address these concerns and as such, appreciates the work of the AEMC and AEMO in improving the gas bulletin board service and relevant rules.

Alinta Energy supports the proposed changes

Alinta Energy notes the rule change proposal aims to improve consistency and enhance clarity of the gas bulletin board service by:

- increasing the existing short-term capacity outlook to a seven day period; and
- incorporating facility operator reports into developing a new medium-term capacity outlook.

Alinta Energy is supportive of these objectives.

Expedited non-controversial rule change

Alinta Energy understands that the content of this rule change is largely immaterial and non-controversial, as defined under 290 of the National Gas Law. As such, Alinta Energy supports the AEMC's decision to expedite the rule change process.

Alinta Energy shares the AEMC's view that the proposed changes will contribute to the achievement of the National Gas Objective as set under section 23 of the National Gas Law and will result in a net benefit to the market. Additionally, the proposed changes are compatible with the performance of the AEMO's responsibilities in maintaining bulletin board operations.

Alinta Energy does not expect these minor rule changes to significantly alter market incentives or behaviour when participating in gas markets.

Information provision and transparency

Alinta Energy understands the objective of the gas bulletin board is to efficiently facilitate gas trading and capacity utilisation across national pipeline systems by providing reliable market information to any interested party. Given improving gas market transparency is a prerequisite to efficiently priced markets, improving the quality of information provided to interested parties is an objective supported by Alinta Energy.

Alinta Energy understands the bulletin board does not currently publish medium term capacity outlooks, making it hard for participants to coordinate future operations. As such, extending the capacity outlook to seven days as well as incorporating facility operator reports will improve information participants can draw upon in making commercial decisions.

Additionally, this would help alleviate concerns associated with information asymmetry, whereby some participants may have possession of information not yet available in the market place, including information about available capacity or maintenance outage schedules.

In terms of format, Alinta Energy suggests it would be beneficial if any additionally data sets were published in a standardised spread sheet format consistent with existing practice, for ease of interpretation and use in reports.

To summarise, Alinta Energy welcomes the proposed reforms and the enhanced clarity and transparency these changes will deliver to the gas bulletin board.

Efficient allocation of costs

Alinta Energy notes the rule change has been designed as a low cost method of improving the provision of information on the gas bulletin board.

The consultation paper has identified two costs associated within the rule change affecting both AEMO and pipeline facility operators. These costs are one off establishment costs; and on-going compliance costs.

In relation to these costs, it is Alinta Energy's view that whilst small establishment costs will be required for AEMO and facility operators systems, such changes will not dramatically deviate from existing practise, and as such are thought to be minor.

Additionally on-going compliance costs such as updating information forecasts periodically and distributing information to a larger group of interested parties is thought to be smaller than the market benefits that additional transparency will achieve.

Further, the consultation paper has not identified any additional inefficient costs, externalities on other market participants or network/system security issues.

Therefore, Alinta Energy is of the view the costs of extracting, providing and publishing additional data on the bulletin board is thought to be minimal and is outweighed by the corresponding market benefits. The identified costs should not act as a barrier to the proposed changes as there is a net market benefit from the proposed rule change in its current form.

Alinta Energy suggests further information about associated implementation costs is best recovered through individual consultation with affected pipeline facility operators.

Confidentiality issues

Alinta Energy notes the potential for confidentiality issues to arise in the publishing of certain information on the bulletin board.

The consultation paper has identified that facility operators may be in possession of information which could contain commercial details of individually negotiated bilateral contracts. The publication of such information would be of obvious concern to participants.

Alinta Energy is of the view that publically available information which is of clear benefit to market operations such as notices of scheduled maintenance should be published on the gas bulletin board as part of any proposed medium term capacity outlook, however, information which is clearly commercially confidential, including express details of individually negotiated bilateral contracts, should not be published.

Alinta Energy is of the view that AEMO in its role as gas bulletin board operator should be able to draw a line between what information which is vital to market operations and that which is market sensitive. This would not largely diverge from AEMO's existing practises in operating the bulletin board's short term capacity outlooks.

Conclusion

As outlined above, Alinta Energy is broadly supportive of the proposed changes to the national gas bulletin board and welcomes the enhanced quality and additional clarity this rule change will provide to the market place.

Should you have any queries in relation to this submissions, please do not hesitate to contact Mr Anders Sangkuhl on, telephone, (02) 9375 0962.

Yours sincerely,



Jamie Lowe
Manager, Market Regulation