

Ben Noone
Adviser
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Jemena Limited
ABN 95 052 167 405

321 Ferntree Gully Road
Mount Waverley VIC 3149
Locked Bag 7000
Mount Waverley VIC 3149
T +61 3 8544 9000
F +61 3 8544 9888
www.jemena.com.au

Via online submission

13 November 2015

Dear Ben

GRC0033: National Gas Amendment (Enhanced Information for Gas Transmission Pipeline Capacity Trading) Rule 2015

Jemena welcomes the opportunity to continue to engage with the Australian Energy Market Commission (**AEMC**) in relation to the Enhanced Information for Gas Transmission Pipeline Capacity Trading rule change.

Jemena supports the Australian Pipelines and Gas Association's submission on the AEMC's draft rule. We are broadly supportive of the AEMC's draft rule, which reflects an industry-led approach to information provision and generally consists of low-cost measures that could enhance participants' understanding of market conditions.

As explained in our submission to the AEMC's consultation paper, we support the reporting of medium term capacity outlook notices in a standardised format. However, the quantification of a maintenance event's impact on pipeline capacity can be a complex exercise dependent on a wide range of factors.

There is no single methodology (for example, an Australian Standard) used to model pipeline capacity. Pipeline capacity modelling is a complex task that could result in the application of different detailed methodologies by different engineers or for pipelines with different characteristics. We plan our maintenance activities to minimise the potential impact on our customers, and therefore do so with reference to the likelihood of maintenance restricting gas flows. We often schedule maintenance during off-peak times (such as summer for the Eastern Gas Pipeline) or at times when customers' demand or producers' capacity to supply is reduced due to maintenance on their own facilities. In cases where we are confident that the likely gas flows will be low enough so as not to be impacted by maintenance, we do not undertake detailed modelling to quantify the impact on the pipeline's capacity. For this reason, we consider that the traffic light indicator previously proposed would be a more appropriate reporting method to inform market participants of the impact on capacity of maintenance event.

Furthermore, although we look forward to discussing this matter with the AEMC during the East Coast Wholesale Gas Market and Pipeline Frameworks Review, we also reiterate the importance of Bulletin Board facility operators recovering the costs of the information they provide. Whilst the draft rule is, as the AEMC states, consistent with existing practice,¹ existing practice does not provide for pipeline operators to recover the costs of providing a number of other types of information for publication on the Bulletin Board.

A number of new information requirements in recent years have required pipeline operators to make system and reporting process changes. Additionally, in the relatively infrequent events where we have encountered issues in providing Bulletin Board information (for example, due to a system outage), significant amounts of management time has been required to provide explanations to the Australian Energy Regulator. In many cases, we may not be able to recover the costs associated with Bulletin Board information provision from our shippers under existing long-term contracts.

We look forward to continuing to engage with the AEMC on this matter. If you have any questions about this submission, please contact Benjy Lee, Manager Energy Policy, on (03) 9173 7894 or via email: benjy.lee@jemena.com.au.

Regards



Gabrielle Sycamore
General Manager – Pipelines Commercial

¹ Pipeline operators may recover the costs from the Australian Energy Market Operator associated with providing aggregation and information services (under National Gas Rules 173 and 196 only).