

13 August 2015

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

Lodged electronically

Dear Mr Noone,

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

Hydro Tasmania welcomes the opportunity to provide comments on the above proposed rule change. As a second tier participant in the wholesale market and a growing retail business we are well placed to provide comment.

As outlined in our submission to the *East Coast Wholesale Gas Market and Pipeline Frameworks Review (GPR003)* dated 1 June 2015, Hydro Tasmania is supportive of a more transparent gas market. We also welcome the initial steps taken by the Australian Energy Market Commission (AEMC) to address the highlighted current challenges regarding the critical transportation infrastructure.

Hydro Tasmania wholeheartedly supports the changes proposed in the consultation paper to increase transparency across the primary, secondary and ancillary markets. We believe that the proposed initiatives will lead to a market operating in a more efficient manner.

Hydro Tasmania has previously advised that the price discovery costs are high and information is often unreliable. This, in addition to the high transaction costs and lack of a liquid secondary market, presents significant risks for new market entrants.

Hydro Tasmania notes that attempts to increase market transparency are invariably resisted by a few participants with concerns about commercial confidentiality. Past initiatives such as the Market Information Bulletin Board, spot market data provisions etc. have led to a more transparent market for the benefit of all participants. It is Hydro Tasmania's view that the proposed changes are yet another step in the right direction for gas market development.

In addition to the changes highlighted by the AEMC, Hydro Tasmania continues to advocate for further transparency across gas production and wholesale gas supply/trading. This will further increase market efficiency which will in turn lower the barriers to entry for new participants. We acknowledge that the AEMC has released a more comprehensive review of the wholesale market (*East Coast Wholesale Gas Markets and Pipeline Frameworks Review*) which Hydro Tasmania intends to evaluate in greater detail.

Please contact Sanjay Verma at sanjay.verma@hydro.com.au or telephone +61 419947641 if you require further information.

Regards,



David Bowker
Manager Regulation