



Ms Alice Hawkins
Graduate
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Lodged online: www.aemc.gov.au

19 November 2020

Reference: GRC0058 National Gas Amendment (DWGM Maintenance Planning) Rule 2020

Dear Ms Hawkins,

I am writing to you to provide a formal submission on behalf of the APA Group (**APA**) to the Australian Energy Market Commission (**AEMC**) on the Consultation Paper: National Gas Amendment (DWGM Maintenance Planning) Rule 2020 dated 22 October 2020 (**Consultation Paper**).

We thank the AEMC for the opportunity to comment on this proposed rule change to Part 19 of the National Gas Rules (**NGR**). As owner of the Victorian Transmission System (**VTS**) and gas storage facilities such as our Dandenong LNG facility, we assist in providing and/or operating critical gas infrastructure that is key to energy security.

APA supports the intent of the proposed rule change to address inconsistencies in the NGRs and between the NGR and National Gas Law (**NGL**). However, based on the changes proposed in the Consultation Paper, we believe there are unintended consequences of adopting Part 1 s2 and s8 NGL definitions of:

- *producer* means a person who carries on a business of producing natural gas;
- *storage provider* means any person who owns, operates or controls a facility for storing natural gas or processable gas for injection into a pipeline;
- *service provider* is a person who—
 - (a) owns, controls or operates; or
 - (b) intends to own, control or operate,a pipeline or scheme pipeline, or any part of a pipeline or scheme pipeline.

By virtue of being part of the National Gas Law, the NGL definitions of producer, storage provider and service provider apply nationally.

The proposed Rule change creates a new term, *Declared Wholesale Gas Market (DWGM) facility operators*, which then incorporates these national definitions in Part 19 Division 1 s200:

- *DWGM facility operators* mean service providers, producers and storage providers.

It is noteworthy that the current version of Rule 200 restricts the definition of Producer (which the proposed Rule change seeks to delete) to one connected to the DTS:

- *Producer* means a producer whose gas production facility is connected to the declared transmission system.

By adopting these national NGL definitions that capture gas infrastructure throughout Australia, and using those definitions within the term DWGM facility operator, the term "DWGM facility operator" could apply to gas infrastructure throughout Australia. The unintended consequence would broaden the Australian Energy Market Operator's (**AEMO**) maintenance coordination and direction powers beyond a DWGM and Declared Transmission System (**DTS**).

As an example, the South West Queensland Pipeline or the Moomba gas processing and storage facility are critical infrastructure to the security of supply to east coast markets. These assets fall under the definition of *Service Provider* and *Producer* as defined in s2 and s8 NGL and therefore are inadvertently captured in the proposed term, DWGM Facility Operator.

APA proposes a drafting change to the term DWGM Facility Operator to align the intention of the rule change to the geographical boundaries of a DTS as declared in respective jurisdictional gas law provisions. Amend the definition of "*DWGM facility operators*" to mean "declared transmission system service provider and service providers, producers and storage providers whose facilities are directly connected to the declared transmission system". This drafting change is proposed on the basis that the term DWGM facility operators only amends Part 19 of NGR as the AEMC confirmed during discussion on 6 November 2020 and contrary to that outlined in Appendix A of the Consultation Paper.

APA works collaboratively with AEMO to coordinate maintenance planning and minimise threats to system security in the Victorian DWGM. We also assist and collaborate to the extent possible on infrastructure that physically connects to the Victorian DTS, supporting security of supply to the Victorian market as well as balancing security of supply to other east coast markets. It is critical that APA maintains the ability to optimise maintenance planning of infrastructure outside of the bounds of a DWGM and DTS to meet the needs of our customers throughout the east coast of Australia.

We understand amendments to the NGR are complex matters and we would be happy to discuss APA's proposed drafting change in further detail or alternative drafting changes. Please do not hesitate to contact Scott Young, Manager Regulatory, on (02) 9275 0031 or at scott.young@apa.com.au in the first instance.

Yours sincerely



Peter Bolding
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