

Measures to Improve Transparency in the Gas Market

**Proposed legal package to give effect to
Decision Regulation Impact Statement**

Consultation paper

November 2020

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Abbreviations

Term	Definition
ACCC	Australian Competition and Consumer Commission
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
BB	Natural Gas Services Bulletin Board
COAG	Council of Australian Governments
DRIS	The Decision Regulation Impact Statement for Measures to Improve Transparency in the Gas Market, which was endorsed by the COAG Energy Council on 20 March 2020
Energy Council	COAG Energy Council
Gas Inquiry	ACCC's 2017-2025 Gas Inquiry
GMRG	Gas Market Reform Group
GSA	Gas Supply Agreement
GSH	Gas Supply Hub
GSOO	Gas Statement of Opportunities
LNG netback price	A measure of an export parity price that a gas supplier can expect to receive for exporting its gas. It is calculated by taking the price that could be received for LNG and subtracting or 'netting back' the costs incurred by the supplier to convert the gas to LNG and ship it to the destination port
NGL or Law	National Gas Law
NGO	National Gas Objective
NGR or Rules	National Gas Rules
Non-scheme pipeline	A pipeline which is not subject to economic regulation under Part 8 – 12 of the National Gas Rules but is subject to the information disclosure and arbitration framework in Part 23 of the NGR.
PJ	Petajoule
Producer	This term is used throughout the Decision RIS to refer to entities that are currently producing gas and those entities that are not currently producing gas but have an interest in gas reserves and/or resources.
Regulations	Regulations made under the National Gas Law
SCO	COAG Energy Council - Senior Committee of Officials
SPE-PRMS	"Petroleum Resources Management System" revised June 2018 and sponsored by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, the Society of Petroleum Evaluation Engineers and others.
TJ	Terajoule

1. Introduction

1.1 Background

The COAG Energy Council (**Energy Council**) at its meeting on 20 March 2020 endorsed a package of measures to enhance transparency in the gas market. The package is set out in the Energy Council's Regulation Impact for Decision (**Decision RIS**) of March 2020.¹

The final package of measures is identified in the Decision RIS as 'Option 5', known as the endorsed option. The endorsed option is a modification of the options consulted on in the Energy Council's Consultation Regulation Impact Statement published in August 2019 (**Consultation RIS**). The options in the Consultation RIS were developed following recommendations to enhance gas market transparency made by the Australian Energy Market Commission (**AEMC**) in 2016 and by the Australian Competition and Consumer Commission (**ACCC**) and the Gas Market Reform Group (**GMRG**) in 2018/2019.²

To implement the transparency measures, changes will be needed to the National Gas Law (**NGL** or **Law**), the regulations made for the purposes of the Law in the *National Gas (South Australia) Regulations 2008* (SA) (**Regulations**) and the National Gas Rules (**NGR** or **Rules**). Draft amendments to those instruments are set out in:

- **Attachment A1:** Draft *National Gas (South Australia) (Market Transparency) Amendment Bill 2020* (**Draft Bill**);
- **Attachment A2:** Draft *National Gas (South Australia) (Market Transparency) Variation Regulations 2020* (**Draft Regulations**); and
- **Attachment A3:** Draft amendments to Parts 15B, 15D, 17 and 18 of the Rules, and proposed new Part 18A and Transitional Provisions. Amendments are marked-up against the current Rules.

1.2 Consultation process

Stakeholder feedback is sought on this legal package. These draft amendments are set out in **Attachments A1 to A3**.

To assist stakeholders, a response template has been prepared (**Attachment B**) for stakeholders to provide their feedback. Stakeholders are strongly encouraged to use the response template.

Stakeholder feedback is also sought on the following policy clarifications, which are explained in further detail in sections 5-8:

- reporting of Northern Territory (NT) offshore reserves and resources (see section 6.1.1);

¹ Available at: https://prod-energycouncil.energy.slicedtech.com.au/sites/prod.energycouncil/files/publications/documents/Gas%20Transparency%20Measures%20DRIS.pdf_0.pdf

² The background is described in detail in the Decision RIS and the Consultation RIS.

- reporting times for short term LNG export transactions (see section 5.6.1) and LNG shipments (see section 7.2.1); and
- facility operators reporting of forecast nominations (see section 8.6).

Feedback is also sought on the following matters:

- proposed transitional arrangements (see section 10);
- incidental amendments proposed for Parts 15B and 18 of the Rules (see section 11);
- proposed civil penalty provisions and their associated penalty tiers (see section 12);
- potential removal of duplication in the Law (see section 13).

The closing date for submissions is **5pm (AEST) on 17 December 2020**.

Submissions should be sent via email to gas@industry.gov.au. Submissions should include the subject; "Gas transparency regulatory reforms".

Submissions will be published on the Energy Ministers' website, as will the names of stakeholders who made submissions. If you would prefer your submission to remain confidential, please advise in the covering email that the submission is to be treated as confidential.

1.3 Next Steps

Feedback received in response to this legal package on Measures to Improve Transparency in the Gas Market will inform the final amendments to the Law, Regulations and Rules that will be submitted to Energy Ministers for endorsement.

If the package is approved, the legislative changes will be progressed through the South Australian Parliament. As an applied law regime, the amendments made to the Law in South Australia will flow through to all jurisdictions that have applied the Law as the law of that jurisdiction. Changes to the Rules will be made as Minister-made rules when the legislative changes come into effect.

Subject to the completion of the SA legislative amendment process, the transparency measures are expected to take effect in phases with current anticipated dates as follows:

- 2021 for the Natural Gas Services Bulletin Board (**BB**) reporting obligations;
- the latter half of 2021 for the Gas Statement of Opportunities (**GSOO**) reporting, which the Australian Energy Market Operator (**AEMO**) will use when preparing the 2022 GSOO; and
- as soon as practicable following the conclusion of the ACCC's Gas Inquiry (currently scheduled for 2025) for the Australian Energy Regulator's (**AER**) new price reporting functions.

1.4 Overview of this guide

This document provides a guide to the package of proposed changes to the Law, Regulations and Rules in Attachments A1 to A3:³

- **Section 2** sets out the measures contained in the endorsed option.
- **Section 3** describes the current legislative and regulatory framework and includes an overview of the changes that need to be made to implement the endorsed option.
- **Section 4** describes the proposed changes to the Law and the Regulations.
- **Sections 5 to 9** set out each measure in the endorsed option, describe the proposed approach to implementation and identify the key amendments to the Rules to give effect to the proposed approach.
- **Section 10** describes the proposed transitional arrangements.
- **Section 11** describes the proposed incidental amendments to the Bulletin Board provisions in Part 18 of the Rules.
- **Section 12** provides a description of the provisions in the Law and the Rules that it is proposed to classify as civil penalty provisions.
- **Section 13** highlights those areas of the Law that would benefit from the removal of some of the duplication that has emerged over time.

³ The changes are described with reference to the current Law, Regulation and Rules. A package of draft changes was also issued with the Consultation RIS, but these were based on Option 3 in the Consultation RIS.

2. Measures in the endorsed option

The endorsed option from the Decision RIS is set out in the following table.

Table 2.1: Decision RIS endorsed option

What information is to be provided?		Where will information be available?	Reporting frequency
Gas, LNG and infrastructure prices	Production cost estimates.	GSOO	Annually
	Sellers under short term gas supply agreements (contract term of 12 months or less) to report the prices and key terms. ¹	BB	The earlier of: 1 business day after the trade date; and the day prior to supply commencement.
	Sellers under short term gas swaps (contract term of 12 months or less) to report prices and key terms.	BB	
	AER to have a new price reporting function, which will allow it to publish: <ul style="list-style-type: none"> ▪ an LNG netback price series; ▪ information on the prices paid for gas under short and longer-term gas supply agreements;¹ ▪ information on gas swaps; ▪ information on LNG export prices including the prices under short and longer term LNG contracts (excluding the NT facilities that have an exemption under rule 143A); and ▪ if relevant, an LNG import parity price series or information on import prices. 	AER report	Reporting to commence following the completion of the ACCC Gas Inquiry, with the reporting frequency to be determined by the AER
	Storage and stand-alone compression facility operators to publish standing terms and standing prices for each service offered and information on the prices actually paid by users for primary capacity (in a consistent manner with non-scheme pipelines under Part 23 of the NGR).	Website of reporting party	Standing terms and prices: Within 20 business days of application date and updated if new service added or existing services change Weighted average prices: Annually no later than 4 months after end of financial year.
	LNG exporters (excluding the NT facilities that have an exemption under rule 143A) to report the average free on board price received under short term LNG supply agreements (i.e. LNG contracts with a supply term of less than 1 year).	BB	Reported to AEMO within 1 business day of transaction being entered into, with AEMO to publish no earlier than 20 business days after the transaction date.
	Sellers of secondary storage capacity to report on the prices and other key non-price terms and conditions for any capacity trades.	BB	The earlier of: 1 business day after the trade date; and the day prior to supply commencement.

What information is to be provided?	Where will information be available?	Reporting frequency
<p>Supply and availability of gas</p> <p>Producers to report the following on the BB, in accordance with the ACCC's reporting framework, but allowing for joint venture parties to jointly report if jointly marketing gas:</p> <ul style="list-style-type: none"> 1P, 2P, 3P reserves and 2C resources (by field and, in the case of reserves, broken down into developed and undeveloped reserves); 12 month movements in 2P reserves (by field and broken down into production, extensions, net acquisitions, reserves upgrades, downgrades and other revisions); gas field information (e.g. the location of the field, the producer's net revenue interest in the field, the type of gas in the field and the nature of the gas field); the development status and likely timing of production from material fields (i.e. fields with more than 50 PJ of reserves or contingent resources) and a list of any barriers to the commercial recovery of 2C resources in these fields; and the sensitivity of 2P estimates to a +/-10% change in gas price assumptions to be reported to AEMO for publication on the BB in an anonymised and aggregated manner. <p><i>NT facilities with an exemption under rule 143A would be exempt from requirement.</i></p> <p>Producers to report on gas price assumptions underpinning the reserves and resources estimates.</p> <p><i>NT facilities with an exemption under rule 143A would be exempt from requirement.</i></p> <p>Producers to report on annual drilling activities (i.e. the number of exploration, appraisal and development wells drilled).</p> <p><i>NT facilities with an exemption under rule 143A would be exempt from requirement.</i></p> <p>Producers to report on the volume of gas they intend to produce and the volume of production already contracted for each year of the GSOO forecast horizon.</p> <p><i>NT facilities with an exemption under rule 143A would be exempt from requirement.</i></p> <p>LNG exporters to report on their LNG facility's short and medium term demand-supply balance.</p> <p><i>NT facilities with an exemption under rule 143A would be exempt from requirement.</i></p> <p>LNG import facilities to report:</p> <ul style="list-style-type: none"> the volume of LNG imports (reported on a shipment basis along with other shipment information) a range of operational and supply information (similar to the information reported by production and storage facilities) 	<p>BB</p> <p>AER report</p> <p>GSOO</p> <p>GSOO</p> <p>GSOO</p> <p>BB and GSOO for information that informs the demand-supply balance (such as volume of gas expected to be imported and contracted)</p>	<p>Annually, with intra-year updates of the reserves and resources estimates required if there is a material change, or a revised estimate is provided to a state, federal or territory government department or agency, or securities exchange.</p> <p>Annually</p> <p>Annually</p> <p>Annually</p> <p>LNG imports: No later than 1 business day after unloading commences. Operational and supply info: Daily. GSOO info: Annually</p>
<p>Demand for gas</p> <p>Large users that meet the reporting threshold (i.e. connection point capacity of 10TJ/day or more) to report the following:</p> <ul style="list-style-type: none"> the nameplate capacity of the connection point to their facility; detailed facility information (i.e. the name of the pipeline and delivery points to which their facility is connected); and daily gas consumption (to be reported in accordance with the timing in the BB Procedures).² 	<p>BB</p>	<p>Nameplate capacity: On registration and then annually, with updates required if material changes.</p> <p>Detailed facility info: On registration, with updates required if information is no longer accurate.</p> <p>Daily consumption: Daily</p>

What information is to be provided?		Where will information be available?	Reporting frequency
	<p>LNG exporters to report:</p> <ul style="list-style-type: none"> ▪ the nameplate capacity of the connection point to their LNG export facility and the nameplate capacity of the LNG export facility; ▪ detailed facility information (i.e. the name of the pipeline and delivery points to which their facility is connected); ▪ the short and medium term capacity outlook for the LNG export facility; ▪ daily gas consumption by the LNG export facility;³ and ▪ the volume of LNG exported in each shipment. <p>NT facilities that have an exemption under rule 143A would be exempt from this requirement.</p>	BB	<p>Nameplate capacity: On registration and then annually, with updates required if material changes.</p> <p>Detailed facility info: On registration, with updates required if information is no longer accurate.</p> <p>Capacity outlooks: Daily.</p> <p>LNG exports: Within 1 business day after LNG loaded, with AEMO to publish information no earlier than 20 business days after the end of the month it is loaded.</p>
Infrastructure	<p>Entities developing new infrastructure with a nameplate capacity of 10TJ or more to report the following information for both proposed and committed developments:</p> <ul style="list-style-type: none"> ▪ the type of facility that is proposed or committed; ▪ the location of the facility; ▪ the proposed name of the facility (if known); ▪ the proposed nameplate rating; ▪ the stage of development, applying assessment framework determined by AEMO; and ▪ the proposed commissioning date, or date range. 	BB	On registration (within 20 business days of being classified as a proposed or committed development), and then updated annually, with updates required if information is no longer accurate.
	Storage and stand-alone compression facility operators to report a 36-month uncontracted capacity outlook and a list of users with contracted capacity.	BB	Uncontracted capacity: Monthly List of users: On registration and updated if no longer accurate.
	Stand-alone compression facility operators to report equivalent operational information to pipelines.	BB	Daily
	Production facilities providing 3rd party access (excluding the NT facilities that have an exemption under rule 143A) to report a 36-month uncontracted capacity outlook.	BB	Monthly
	Materiality threshold used for the reporting of intra-day changes on the BB to be changed to the maximum of A and B, where A is the minimum of 30 TJ and 10% of nameplate capacity and B is 5 TJ.	BB	n.a.
GSOO	Amend the NGL and NGR to allow AEMO to collect information through a mandatory survey. The NT LNG facilities that have an exemption under rule 143A would be exempt from having to complete the mandatory survey.	GSOO	n.a.
	Extend the coverage of GSOO to the NT.	GSOO	n.a.

1. Excluding agreements involving residential customers and business customers consuming less than 10 TJ p.a.
2. Large users would be able to obtain an exemption from reporting on their daily consumption if they can demonstrate they did not consume more than 10 TJ/day in the last 12 months and are not expected to do so in the next 12 months. This may be done by reference to the maximum daily quantity (MDQ) specified in the gas supply agreement, gas transportation agreement or retail agreement, where a large user is only relying on a firm service.
3. If the LNG export facility is the only one being supplied at the pipeline delivery point, and the information is already reported to AEMO by the relevant pipeline operator, then the LNG facility would be able to get an exemption from reporting this information.

3. The legislative and regulatory framework

3.1 Application of the transparency measures

3.1.1 The legislative framework in each jurisdiction

The National Gas Law is contained in a schedule to the *National Gas (South Australia) Act 2008* (SA). The Law describes the functions and powers of the AER, the AEMC and AEMO for the purposes of the Law. It provides for the facilitated gas markets and related policy measures including the BB and the GSOO.

The Law authorises the making of the following instruments:

- the National Gas Regulations, which apply as regulations under the Law in each participating jurisdiction;⁴
- the National Gas Rules, which take effect in each participating jurisdiction as statutory instruments;
- Procedures to be made by AEMO to support the operation of the regulated gas markets, the BB and retail markets; and
- Regulatory information instruments to be made by the AER if it considers it reasonably necessary for the performance or exercise of its functions or powers under the Law or Rules.

Each State (other than Western Australia (WA)), the Australian Capital Territory (ACT) and the NT has its own application legislation (broadly equivalent to the *National Gas (South Australia) Act 2008* (SA)) that applies the Law and the instruments made under the Law in the participating jurisdiction.

The Law applies as a law of the Commonwealth in the offshore area of each State and the NT under the *Australian Energy Market Act 2004* (Cth) (but not in relation to an offshore WA pipeline). The term 'offshore area' is defined by reference to the definition in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth).

WA has a separate legislative framework as follows:

- The *National Gas Access (WA) Act 2009* adopts a modified version of the National Gas Law. Under that Law, the National Gas Rules applying to WA is version 1 of the National Gas Rules, as amended by rules made by the South Australian Minister under the National Gas Law, if adopted by WA, and rules made by the AEMC under section 74 of the National Gas Access (WA) Law.
- The WA equivalents of the BB and the GSOO are established under WA's Gas Services Information (GSI) Rules, not under the WA version of the National Gas Rules. The GSI Rules are made under the *Gas Services Information Act 2012* (WA) and the *Gas Services Information Regulations 2012* (WA).

⁴ Each participating jurisdiction may also make regulations that apply as regulations under the application legislation of the participating jurisdiction.

3.1.2 How the endorsed option will apply in each jurisdiction

It is intended that the endorsed option will apply in relation to all the participating jurisdictions other than WA. While the scope of this package is limited in this way, it would be open to the WA Government to implement similar measures in WA, if it considered it appropriate to do so.

The existing framework in the NGR that exempts the Darwin LNG and Icthus LNG facilities from reporting under Part 18 of the NGR will be retained. The NGR will also exclude these facilities from the GSOO framework, for so long as they are exempt from reporting under Part 18 of the NGR. This exemption framework for the BB and the GSOO will be extended to the offshore gas fields supplying exclusively the exempt NT facilities. Bayu-Undan gas field is in the waters of Timor-Leste and will not therefore be covered by the reporting requirements.

3.2 Current policy frameworks relevant to the endorsed option

Many of the measures in the endorsed option build on frameworks already in place under the Law and Rules. Sections 3.2.1 to 3.2.4 below describe these frameworks and indicate how they would change to implement the endorsed option.

3.2.1 Natural Gas Services Bulletin Board

The BB is a web-based information service maintained by AEMO. Gas industry participants are currently required to register with AEMO to provide information about their facilities, services and secondary capacity transactions. AEMO processes the information and publishes it on the BB.

The legal framework for the BB currently comprises the following:

- The Law specifies the functions of AEMO in relation to the BB, lists the classes of persons who may be required under the NGR to give information to AEMO for the BB, specifies the classes of information that the NGR may require to be provided and provides for compliance and immunities.⁵
- Part 18 of the NGR provides for registration of reporting entities and the information standards. It specifies the information to be provided by each category of reporting entity.
- Transitional rules in Schedule 5 of the NGR currently extend the scope of the BB to compression facilities that are required to make their contracted but un-nominated capacity available in the day ahead auction established under Part 25 of the NGR.⁶
- AEMO makes BB Procedures under the Law, in accordance with the NGR. The BB Procedures detail the registration process, the process for providing information to AEMO and the times for information to be provided for the BB.

⁵ NGL Chapter 7.

⁶ As part of this process these transitional rules will be moved into Part 18 of the NGR.

To implement the endorsed option, the BB provisions in the Law and the Rules would be expanded to require information from new categories of reporting entities and new categories of information that must be provided.

3.2.2 Gas Statement of Opportunities

The GSOO is published by AEMO each year. The GSOO contains information about gas supply and demand and related matters over the medium and long term to assist industry participants and others make informed decisions about investment in the natural gas industry.

The legal framework for the GSOO comprises the following:

- The Law describes the scope and content of the GSOO and requires AEMO to publish the GSOO.⁷
- The Law includes a framework for AEMO to issue notices requiring information to be given to it for AEMO's functions, including the GSOO. The framework has not been used by AEMO for the GSOO. AEMO has instead relied on a voluntary survey.
- Part 15D of the NGR provides more information about the matters that must be included in the GSOO.

To implement the endorsed option, the GSOO provisions in the Law and the Rules would be strengthened to allow AEMO to conduct a mandatory GSOO survey. The Law would authorise AEMO to make new GSOO Procedures to define the GSOO survey process. This would be supported by changes in Part 15B of the Rules, which deals with the content of AEMO Procedures and Part 15D, which deals with the GSOO.

3.2.3 AER information gathering powers

The AER has power under the Law to make a regulatory information instrument, if it considers it reasonably necessary for the performance or exercise of its functions or powers under the Law or the Rules.⁸ The Law provides for two types of regulatory information instrument:

- A general regulatory information order, which applies to a class of scheme pipeline service providers (or a class of related providers) and must be published on the AER's website.
- A regulatory information notice, which applies to a particular pipeline service provider (or a related provider) and must be served on the person the notice applies to.

These information gathering powers are subject to restrictions such as the following:

- A regulatory information instrument cannot be made solely for the purposes of investigating breaches, instituting and conducting proceedings in relation to breaches

⁷ NGL sections 91D and 91DA.

⁸ Subdivision 2 of Division 4 of Chapter 2 of the NGL.

or an appeal from a decision made in such proceedings, or an application for review of an AER decision.⁹

- The AER must consult before making a general regulatory information order and must give the proposed recipient of a regulatory information notice an opportunity to be heard before making the notice.¹⁰

A person subject to a regulatory information instrument may make a confidentiality claim in respect of information given to the AER when complying with the instrument.¹¹ Information given to the AER in compliance with a regulatory information instrument is only regarded as being given to the AER in confidence if it is subject to an express claim of confidentiality made under the relevant provision.

Where a claim of confidentiality is made, the AER can disclose the information in accordance with Chapter 10 Part 2 Division 1 of the NGL.¹² This includes where the information does not identify the person to whom it relates, or if it is disclosed in aggregated form.¹³ The AER is also authorised under section 44AAF of the *Competition and Consumer Act 2010* (Cth) to disclose information given to it in confidence.¹⁴ That section authorises disclosure to, among others, the ACCC, the AEMC and AEMO.

To implement the endorsed option, the AER would be given a new function under the Law to collect, analyse and publish information about prices for goods and services in the natural gas industry. The Rules would list the categories of price information that the AER could decide to publish. The AER's information gathering powers described above would be extended to allow it to make a price information order to gather the information it needs for its new function except that the information collected under a price information order would be treated as provided in confidence.

3.2.4 Information about standing terms

The Law includes a head of power for Rules providing for (among other things) the publication of information about the services that may be provided by a non-scheme pipeline.¹⁵ This may include requirements to provide information about the terms and conditions on which the service provider is prepared to make a non-scheme pipeline available for use by others. Rules requiring the service providers of non-scheme pipelines to publish standard terms and price information are in Part 23 of the Rules.

To implement the endorsed option, the Law would include a similar head of power to make Rules requiring publication of information about standing offers by compression and storage service providers. A new Part would be added to the Rules setting out the detailed requirements.

⁹ The AER has a general information gathering power under section 42 that is not subject to the same restrictions. Under section 42, the AER has power to give a notice to a person that the AER has reason to believe is capable of providing information or producing a document that the AER requires for the performance or exercise of a function or power conferred on it under the Law or the Rules.

¹⁰ NGL section 50.

¹¹ NGL section 57A.

¹² NGL section 57B(b).

¹³ NGL sections 328 and 328B.

¹⁴ NGL section 30.

¹⁵ NGL section 83A.

3.3 Overview of changes

The following table provides an overview of the proposed changes to the legal and regulatory framework.

Table 3.1: Overview of changes to the legal and regulatory framework

Instrument	Change
Law	<p>Changes to the Law are required to:</p> <ul style="list-style-type: none"> ▪ expand the scope of the BB to provide for the collection of information about gas reserves and resources, gas sales and swaps, compression services, LNG processing facilities, LNG exports and imports, the use of gas and facility development projects; ▪ provide for gas price assumption information used to calculate reserves and resources information to be given to the AER for publication; ▪ expand the scope of who may be required to provide information for the BB to include those with an interest in a petroleum tenement, the operators of LNG processing facilities, LNG importers and exporters, the operators of large user facilities, sellers under gas supply agreements, parties to gas swaps and facility developers; ▪ allow Rules to be made to require the operators of compression service facilities and storage facilities to provide information about standing prices and actual prices; ▪ require AEMO to make GSOO Procedures and require producers, facility operators, project developers and others with relevant information to give AEMO information for the GSOO; ▪ give the AER a new function to publish gas price information and new powers to publish an instrument requiring information to be provided to the AER that is used in preparing the gas price information; and ▪ allow the Minister to make the initial Rules to implement the reform package.
Regulations	<p>Changes to the Regulations are required to:</p> <ul style="list-style-type: none"> ▪ extend the liability caps to persons providing information for the GSOO; and ▪ update the list of civil penalty provisions.

Instrument	Change
NGR	<p>Changes to the NGR are required to:</p> <ul style="list-style-type: none"> ▪ bring LNG facilities, some compression service facilities and large user facilities within the scope of Part 18 as 'BB facilities' and require the facility operators to register with AEMO under Part 18; ▪ bring natural gas fields for which a petroleum tenement has been granted within the scope of Part 18 and require each person with a net revenue interest in the gas field to register with AEMO under Part 18; ▪ specify the information that must be provided to AEMO for the new categories of BB facility and for BB field interests and the reporting standards and classification systems for information relating to BB fields; ▪ specify information to be given to the AER about price assumptions used for reserves and resources estimates and give the AER specific monitoring powers in relation to those estimates; ▪ specify the information that must be provided to AEMO about LNG import and export shipments; ▪ define short term gas supply transactions (covering both gas supply and gas swaps), and short term LNG export transactions, identify who must provide information to AEMO about the transactions and specify the information to be provided; ▪ identify who must provide information to AEMO about proposed new BB facilities and the information that must be provided and provide for AEMO to publish guidance as part of the BB Procedures about how to assess the development stage of a project; ▪ extend the forward timeframe for uncontracted capacity outlooks for BB storage and processing facilities from 12 to 36 months; ▪ require storage providers to provide information about bookings of primary storage capacity; ▪ provide for AEMO to aggregate data about short term gas transactions and the sensitivity of 2P reserves estimates to changes in gas prices prior to publication on the Bulletin Board and to delay publication of some of this information; ▪ include a new Part 18A providing for compression service providers and storage providers to publish information about standing terms and actual prices; ▪ amend Part 17 to specify the information relating to gas price estimates and prices in the natural gas industry to be published by the AER; ▪ amend Part 15D to specify in more detail the information to be included in the GSOO; and ▪ amend Part 15D to require people with relevant information to give AEMO the information it needs for the GSOO under the new GSOO Procedures and through the GSOO survey process, and make consequential changes to Part 15B.

3.4 Incidental changes to the Rules

A number of incidental changes to the Rules are also proposed, including the following. Part 11 provides more information about the proposed incidental amendments.

- The registration provisions in Subdivision 3.1 of Part 18 would be restructured and simplified to clarify registration obligations and to remove unnecessary duplication and the content of the BB register would be amended to reflect the new registration arrangements.
- Provisions that are no longer required due to gas day harmonisation would be removed.
- Provisions that are no longer required due to the NT application date having occurred would be removed.
- The treatment of cushion gas in a storage facility would be clarified.

- Changes would be made to use 'D', 'D+1' etc. consistently in Part 18.
- The 'purpose' statement in rule 145 would be updated.
- Provision would be made for reporting in PJ under Part 18.
- The scope of 'detailed facility information' provided for BB pipelines would be extended to reflect the extended scope of the BB.
- Provision would be made to use forecasts where nominations are not provided and to allow for facilities without operational metering.

4. Changes to the National Gas Law and Regulations

4.1 Introduction

This section describes the changes to the Law that would be required to implement the endorsed option and to clarify that certain legal privileges are preserved in relation to the BB and the GSOO.

An exposure draft Bill and exposure draft Regulations giving effect to these changes are contained in Attachments A1 and A2.

4.2 Expanding the scope of the BB

To implement the endorsed option, the Law will be amended to allow Rules made for the BB to require any person with information in relation to the natural gas industry to provide it to AEMO for the BB. In the draft Bill in Attachment A1, this is implemented through the replacement of current sections 223 and 223A and new or amended definitions including “natural gas industry”, “natural gas industry facility” and “user facility”.¹⁶

The new term “natural gas industry” would be defined broadly to include activities and transactions relating to:

- processable gas;
- natural gas (including liquefied natural gas) and natural gas services;
- natural gas industry facilities;
- services provided by means of natural gas industry facilities; and
- petroleum tenements.

The new term “natural gas industry facility” would cover:¹⁷

- facilities used by, or providing services to, the natural gas industry - pipelines, compression service facilities, gas processing plants, storage facilities and LNG import facilities; and
- facilities that consume large quantities of gas, including LNG export facilities and other facilities such as gas fired power stations and commercial and industrial users.

The term “petroleum tenement” would be defined to mean a right granted under law to explore for, extract, recover or process petroleum.¹⁸

It is intended that matters covered by Rules made for the BB may include:

- gas exploration, recovery and processing and gas reserves and resources estimates;

¹⁶ Clause 30 of the draft Bill substitutes a new section 223. Clause 4 inserts the new definitions. Clause 4 also deletes definitions that are no longer needed due to the omission of section 223A: “disposal”, “primary capacity transaction”, “secondary capacity transaction”.

¹⁷ Under clause 5 of the draft Bill, a consequential change will be made to section 10, under which multiple service providers for a facility may nominate one of their number for compliance purposes, to extend its operation to service providers for all categories of natural gas industry facilities.

¹⁸ Clause 4(9) of the draft Bill.

- the grant, disposal or use of transportation capacity or transportation services (including primary capacity transactions and secondary capacity transactions);
- the transportation, allocation, delivery, supply, use, consumption, import or export of natural gas (including liquefied natural gas), including any gas supply transactions; and
- the development, construction, commissioning, use or operation of natural gas industry facilities.

It is intended that persons who may be required to provide information for the BB may include:

- a transportation service provider;
- a transportation facility user;
- a person who determines the allocation of deliveries or receipts of natural gas;
- a producer;
- a storage provider;
- a trader;
- a person who owns or controls an interest in petroleum tenement;
- a compression service provider;
- an LNG facility operator;
- a person who owns, controls or operates a facility that involves the consumption of natural gas (other than a facility for gas production, storage or compression);¹⁹ and
- a person undertaking or proposing to undertake (directly or indirectly and alone or with others) a project for the development or expansion, or for the proposed development or expansion, of a natural gas industry facility.²⁰

Consequential amendments would be made to the powers of the AEMC to make Rules for the BB²¹ and to the definitions of “Bulletin Board information” and “Natural Gas Services Bulletin Board”,²² in AEMO’s BB functions in section 219²³ and in item 56 of Schedule 1.²⁴ The definition of “storage provider” would also need to be amended to make it clear that it extends to storage for processed gas and LNG.²⁵

The endorsed option provides for producers to report on gas price assumptions underpinning their reserves and resource estimates. Amendments to Chapter 7 of the Law will allow the Rules to require this information to be given to the AER²⁶ subject to the same principles that apply to other Bulletin Board information under sections 224 (dealing

¹⁹ Defined in the draft Bill as a “user facility”; clause 4(15) of the draft Bill.

²⁰ Defined in the draft amendments to Part 18 of the NGR as a “facility developer”.

²¹ Clause 23(1) of the draft Bill.

²² Clauses 4(2) and 4(8) of the draft Bill.

²³ Clause 29 of the draft Bill.

²⁴ Clause 36(3) of the draft Bill.

²⁵ Clause 4(14) of the draft Bill.

²⁶ Clause 34 of the draft Bill.

with confidentiality), 225 (dealing with false or misleading information) and 226 (protection from claims).²⁷

4.3 Publication of standing offer information

The endorsed option provides for the operator of a compression service facility or storage facility to publish:

- standing terms and prices for each service they offer; and
- information on the weighted average prices paid by users of these facilities.

Similar obligations already apply to the operators of non-scheme pipelines under Part 23 of the NGR, as provided for in section 83A of the Law.

To implement this recommendation a new section will need to be included in the Law, proposed to be section 83AB.²⁸ The new section would closely mirror section 83A, but would omit subsection (2)(e) because it is not relevant to compression facilities and storage facilities.

4.4 Updating the GSOO provisions

To implement the GSOO related recommendations, the GSOO framework in the Law will need to be amended to provide, in terms similar to the BB provisions, that a person required by the NGR to provide information to AEMO for the GSOO must do so.²⁹ The obligation would be classified in the Regulations as a civil penalty provision.³⁰ The Law would also give immunity to a person providing information for the GSOO in terms similar to the BB provisions³¹ and the Regulations would support this by specifying a liability cap.³²

It is proposed that the Law would allow AEMO to make GSOO Procedures in accordance with the NGR to govern the GSOO survey process and the form of survey.³³ Under the NGR, AEMO would therefore be required to consult when it determines the initial form of the Procedures and when changes are proposed.

Consequential amendments would be required to the functions of AEMO in section 91DA, to include new definitions of “GSOO information” and “GSOO Procedures” and to extend the subject matter for the NGR in section 74 and Schedule 1.³⁴

²⁷ Clauses 31, 32 and 33 of the draft Bill, and changes to the definition of “Bulletin Board information” in clause 4(2) of the draft Bill.

²⁸ Clause 24 of the draft Bill.

²⁹ Clause 27 of the draft Bill, which inserts proposed sections 91DB to 91DD.

³⁰ Clause 6 of the draft Regulations.

³¹ Proposed section 91DE, inserted by clause 27 of the draft Bill.

³² Clause 5 of the draft Regulations.

³³ Proposed sections 91DF to 91DH, inserted by clause 27 of the draft Bill.

³⁴ Clauses 26, 4(5), 23(1) and 36(2) of the draft Bill. The reference to “pipeline capacity” in section 91D(1) is out of date and it is proposed to delete the reference in that subsection (clause 25 of the draft Bill).

4.5 AER's gas price reporting functions and powers

To allow the AER to report on gas prices, the Law will be amended to:

- Extend the functions of the AER to include preparing and publishing in accordance with the Rules aggregated and anonymised information or data about prices for goods or services in the natural gas industry and for that purpose, collecting and analysing information or data about those prices.
- Give the AER power to make an instrument requiring information to be provided to the AER for the performance of its new functions. The provisions would include a requirement for the AER to consult on an order before it is made, obligations to comply with the order and protections for those subject to an order.

It is proposed to implement these arrangements by amending Division 4 of Part 1 of Chapter 2 of the Law and by extending the AER's functions to include the "AER gas price reporting functions".³⁵ The AEMC's rule making power will also be extended to include rules relating to the AER's new function.³⁶

The Law would also be amended to provide for information that is provided under a price information order to be treated as having been given to the AER in confidence.³⁷ Chapter 10 Part 2 Division 1 would govern the circumstances in which the AER could disclose the information, including where it is aggregated and anonymised. In addition it is proposed that Part 17 of the Rules will provide for the price information to be both aggregated and anonymised.

4.6 Minister-made rules

The amendments to the NGR to give effect to the enhanced transparency package will be implemented through Minister-made rules. A new provision will therefore need to be included in the Law that is broad enough to allow for the following:³⁸

- Part 15B – changes for new matters to be covered in the BB Procedures and the new GSOO Procedures;
- Part 15D – changes for the GSOO survey rules;
- Part 17 – changes to allow for the specification of the gas price series to be published by the AER;
- Part 18 – changes to implement the BB measures referred to in these instructions and for changes that are incidental to, or consequential on, those BB measures;
- Part 18 – changes to improve the operation of Part 18 identified as part of this process; and
- Part 18A – a new Part to deal with standing terms and price information for compression and storage.

³⁵ The amendments are in clauses 7 to 22 of the draft Bill. Related definitions are in clauses 4(1) and 4(10) and the new AER function is inserted in section 27(1) by clause 6 of the draft Bill.

³⁶ Clause 23(2) of the draft Bill, inserting new section 74(1)(ab).

³⁷ Clause 19 of the draft Bill, inserting new section 57B(2).

³⁸ Clause 35 of the draft Bill.

4.7 Changes to the Regulations

To give effect to the endorsed option, the Regulations will be amended to designate new provisions in the Law and the NGR as civil penalty provisions and to apply the liability cap arrangements to the provision of information for the GSOO.³⁹ Due to the close interaction between GSOO information and BB information, it is proposed that a person providing information to AEMO would have the benefit of a single \$20 million cap even if the information falls into both categories of information.⁴⁰

The list of Rules classified as civil penalty provisions will also need to be updated. The proposed revised list of civil penalty provisions is set out in section 12.

³⁹ The draft Regulations are in Attachment A2.

⁴⁰ Clause 5(4) in the draft Regulations, inserting a proposed new regulation 10(1a).

5. Gas, LNG and infrastructure prices

This section describes the proposed approach in the Rules to implementation of the measures in the endorsed option relating to gas, LNG and infrastructure prices.

5.1 Production cost estimates

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 15D
AEMO to publish production cost estimates in the GSOO	Update the GSOO description in the Rules.	Proposed paragraph (ac) in rule 135KB(1).

5.2 Short term gas supply agreements

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
<p>Sellers under short term gas supply agreements (contract term of 12 months or less) to report the prices and key terms.</p> <p>This is to exclude agreements involving residential customers and business customers consuming less than 10 TJ p.a.</p> <p>The information is to be published on the BB.</p>	<p>Define short term gas supply transactions and in doing so, clarify that where there is a master trading agreement, each transaction under the agreement is a separate transaction for reporting purposes.</p> <p>Clarify that the term includes transactions delivered at an in-pipe point or by sub-allocation.</p>	<p>New definitions of 'gas supply transaction', 'master trading agreement', 'short term gas supply transaction' and 'transaction'.</p> <p>New definition of 'supply' to have the meaning in the Law and include transactions delivered at an in-pipe point or by sub-allocation.</p>
	<p>Define the transactions for which information must be reported on the BB and those that are excluded from the reporting requirement.</p>	<p>New definitions of 'BB short term gas transaction' (which covers both short term gas supply transactions and short term gas swap transactions) and 'excluded supply transaction'.</p> <p>Amendments to the term 'related party transaction' would extend it to related party gas supply and gas swap transactions, which are excluded supply transactions.</p>
	<p>Define the information to be reported about BB short term gas transactions.</p>	<p>New definition of 'short term gas transaction information' in rule 141(2B).</p> <p>Related definitions are 'gas seller', 'supply period' and 'trade date'.</p>

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
	Identify the party to the transaction who is responsible for providing the short term gas transaction information to AEMO.	Definition of 'gas seller' and rule 190CB(1).
	Provide for: <ul style="list-style-type: none"> ▪ AEMO to report GSH transactions and the gas seller to report all others; ▪ the time at which the information must be provided; and ▪ a person with a reporting obligation who is not registered under Part 18 to report using an agent if they wish to do so. 	Rule 190CB and rule 190E. For use of an agent, extend rule 190D and move it to rule 162. Change the term 'capacity transaction reporting agent' to 'BB reporting agent' throughout. A transitional rule will provide for the registration of existing capacity transaction reporting agents to continue using the new title 'BB reporting agent'.
	Provide for AEMO to publish the information but: <ul style="list-style-type: none"> ▪ preclude AEMO from publishing trading party names; ▪ require AEMO to aggregate information before publication; ▪ provide for AEMO to determine an aggregation method that results in aggregation by jurisdiction, trading location at a gas supply hub, combination of trading locations or other location specified in the BB Procedures; ▪ allow for exclusion of outlier transactions; and ▪ require AEMO to publish an overview of the aggregation method on the Bulletin Board. 	Rule 195C.

5.3 Short term gas swaps

Recommended measure	Proposed approach to implementation	Proposed amendments in Part 18
<p>Sellers under short term gas supply agreements (contract term of 12 months or less) to report the prices and key terms, for publication on the BB.</p> <p>This is to exclude agreements involving residential customers and business customers consuming less than 10 TJ p.a.</p>	<p>Define short term gas swap transactions to include both locational and time based swaps. In addition, clarify that:</p> <ul style="list-style-type: none"> ▪ where there is a master trading agreement, each transaction under the agreement is a separate transaction for reporting purposes; and ▪ the term includes swaps delivered at an in-pipe point or by sub-allocation. 	<p>New definitions of 'gas supply transaction', 'master trading agreement', 'short term gas supply transaction' and 'transaction'.</p> <p>New definition of 'supply' to have the meaning in the Law and include transactions delivered at an in-pipe point or by sub-allocation.</p>

Recommended measure	Proposed approach to implementation	Proposed amendments in Part 18
<p>Sellers under short term gas swaps (contract term of 12 months or less) to report prices and key terms.</p> <p>The information is to be published on the BB.</p>	<p>Define the transactions for which information must be reported on the BB and those that are excluded from the reporting requirement.</p>	<p>New definitions of 'BB short term gas transaction' (which covers both short term gas supply transactions and short term gas swap transactions) and 'excluded supply transaction'.</p> <p>Amendments to the term 'related party transaction' extend it to related party gas supply and gas swap transactions, which are excluded supply transactions.</p>
	<p>Define the information to be reported about BB short term gas transactions. For short term gas swaps, require this to include the type of swap (locational or time based).</p>	<p>New definition of 'short term gas transaction information' in rule 141(2B).</p> <p>Related definitions are 'gas seller', 'supply period' and 'trade date'.</p>
	<p>Identify the party to the transaction who is responsible for providing the short term gas transaction information to AEMO. In the case of a gas swap, there is no 'seller', so both parties will be required to provide the information to AEMO.</p>	<p>New definition of 'gas seller', paragraph (b).</p>
	<p>Provide for:</p> <ul style="list-style-type: none"> ▪ AEMO to report GSH transactions and the gas seller to report all others; ▪ the time at which the information must be provided; and ▪ a person with a reporting obligation who is not registered under Part 18 to report using an agent if they wish to do so. 	<p>Rule 190CB and rule 190E.</p> <p>For use of an agent, extend rule 190D and move it to rule 162. Change the term 'capacity transaction reporting agent' to 'BB reporting agent'.</p>
	<p>Provide for AEMO to publish the information but:</p> <ul style="list-style-type: none"> ▪ preclude AEMO from publishing trading party names; ▪ require AEMO to aggregate information before publication; ▪ provide for AEMO to determine an aggregation method that results in aggregation by jurisdiction, trading location at a gas supply hub, combination of trading locations or other location specified in the BB Procedures; ▪ allow for exclusion of outlier transactions; and ▪ require AEMO to publish an overview of the aggregation method on the Bulletin Board. 	<p>Rule 195C</p>

5.4 AER gas price reporting function

Amendments to the Law will confer on the AER a new 'AER gas price reporting function' and power to make a 'price information order'. Refer to section 4.5 above. Note that these price reporting functions will not commence until the ACCC's Gas Inquiry ceases.

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 17
<p>AER to have a new price reporting function, which will allow it to publish:</p> <ul style="list-style-type: none"> ▪ an LNG netback price series; ▪ information on the prices paid for gas under short and longer-term gas supply agreements (excluding agreements involving residential customers and business customers consuming less than 10 TJ p.a); ▪ information on gas swaps; ▪ information on LNG export prices including the prices under short and longer term LNG contracts (excluding the NT facilities that have an exemption under rule 143A); and ▪ if any LNG import facilities are developed, an LNG import parity price series or information on import prices. <p>This information is to be published on the AER's website.</p>	<p>Specify that the AER must use the standard consultative procedures when making a price information order.</p> <p>As the AER would also be consulting on the information it decides to publish, provide for the AER to undertake the two consultations together if it wishes to do so.</p>	<p>Rule 139.</p>
	<p>Include a list of the categories of information about prices that the AER must publish. This would be in general terms. For example, it would refer to gas supply agreements and gas swap agreements in general terms and the AER could then determine not to collect information relating to short term transactions since the information is already published through the BB.</p> <p>The AER would also be required to have regard to the information that is already made available on the BB to avoid duplication.</p>	<p>Rule 140B(1) and rule 140B(4)</p> <p>A transitional rule would prevent the AER from publishing gas price information until after the ACCC gas inquiry ends. Refer to section 10 below.</p>
	<p>Exclude information about LNG export prices relating to exports from an exempt NT facility from the list of information to be published. It is intended that this would in turn prevent the AER from requiring that information to be provided to it under a price information order.</p>	<p>Rule 140B(1)(c).</p>
	<p>Provide for the AER to determine which information to publish, the methodologies and inputs used to calculate the information, the frequency of publication, measures for anonymising and aggregating information and the locations for LNG netback prices and related matters. The AER would be required to publish its determination.</p>	<p>Rules 140B(2) and (3).</p>

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 17
	<p>Provide for the AER to consult before making or amending its determination. For the initial determination, the AER would be required to consult in accordance with the standard consultative procedure and for amendments, the consultation procedure the AER considers appropriate.</p> <p>Allow the AER to undertake this consultation with its consultation about price information orders.</p>	<p>Rule 140B(5) and (6). Rule 79(2) of Schedule 1 (in the transitional rules).</p>
	<p>Require price information published by the AER to be both anonymised and aggregated.</p>	<p>Rule 140B(7).</p>

5.5 Storage and compression price information

Endorsed measure	Proposed approach to implementation	Provisions in proposed new Part 18A
<p>Storage and stand-alone compression facility operators to publish standing terms and standing prices for each service offered and information on the prices actually paid by users for primary capacity (in a consistent manner with non-scheme pipelines under Part 23 of the NGR).</p>	<p>Insert a new Part in the Rules dealing with the publication of standing terms, standing prices and prices actually paid by users for primary capacity that will specify:</p> <ul style="list-style-type: none"> ▪ the facilities and facility operators who are subject to the obligation; and ▪ the information to be published. 	<p>Proposed new Part 18A, Divisions 1 and 2.</p>
<p>The information is to be published on the website of the reporting party.</p>	<p>Include an exemption framework modelled on Division 6 of Part 23 and provide for the exemption of facilities that either:</p> <ul style="list-style-type: none"> ▪ do not provide third party access; or ▪ are single user facilities. 	<p>Proposed new Part 18A, Division 3.</p>

5.6 Short term LNG export transactions

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
<p>LNG exporters (excluding the NT facilities that have an exemption under rule 143A) to report the average free on board price received under short term LNG supply agreements (i.e. LNG contracts with a supply term of less than 1 year).</p> <p>The information is to be published on the BB.</p> <p><i>Refer to section 5.6.1 of this consultation paper for policy clarification.</i></p>	<p>Define LNG export transactions and those that are short term.</p> <p>Clarify that where there is a master trading agreement, each transaction under the agreement is a separate transaction for reporting purposes</p>	<p>New definitions of 'LNG export transaction' and 'short term LNG export transaction'.</p> <p>Related new definitions are 'transaction' and 'master trading agreement'.</p>
	<p>Exclude from the reporting framework transactions for export of LNG from an exempt NT facility.</p>	<p>The defined term 'LNG export transaction' would be limited to exports from LNG export facilities registered under Part 18.</p> <p>Under existing rule 143A(2), the NT LNG export facilities would be exempt from registration under Part 18 (unless the AER issues a BB application notice).</p>
	<p>Define the information to be reported about short term LNG export transactions.</p>	<p>New definition of 'short term LNG export transaction information' in rule 141(1).</p> <p>Related definitions are 'gas seller', 'supply period' and 'trade date'.</p>
	<p>Identify the party to the transaction who is responsible for providing the short term LNG export transaction information to AEMO.</p>	<p>New definition of 'gas seller', paragraph (c).</p>
	<p>Provide for:</p> <ul style="list-style-type: none"> ▪ the obligation to report; ▪ the time at which the information to be provided to AEMO (in general, 1 business day after the trade date); ▪ a requirement to use the method in the BB Procedures to convert currencies to AUD and from delivery ex ship (or other terms) to free on board; and ▪ a person with a reporting obligation who is not registered under Part 18 to report using an agent if they wish to do so. 	<p>Rule 190CA.</p> <p>For use of an agent, rule 190D would be extended and moved to rule 162. The term 'capacity transaction reporting agent' would be changed to 'BB reporting agent'.</p>
	<p>Provide for AEMO to publish the information but preclude AEMO from publishing trading party names.</p>	<p>Rule 195C(2)(a).</p>
	<p>Provide for AEMO to delay publication until 20 business days after the trade date (i.e. the date the transaction is entered into).</p>	<p>Rule 195C(2)(b).</p>

5.6.1 Policy Clarification - Reporting times for short term LNG export transactions

The policy position as set out in the DRIS stated that the short term LNG export price information would be reported 20 business days after the end of the month in which the shipment occurs.

The problem with this timing is that could result in price reporting not occurring for months after the trade occurs, reducing the usefulness of this information to the market. The policy has therefore been clarified to require information on short term LNG export transactions to be published within 20 business days of the trade occurring, rather than 20 business days after the end of the month in which the LNG is loaded. This will reduce the gap between the date the price is agreed and the date the price is reported, which will provide the market with more timely information, while also recognising the potential commercial sensitivity surrounding immediate price reporting.

To give effect to this reporting requirement:

- LNG exporters will be required to report the trades to AEMO within 1 business day of the trade date, which is consistent with the time that other market participants have to report short term trades to AEMO; and
- AEMO will be required to publish the information no earlier than 20 business days after the transaction date.

If you would like to provide feedback on this issue, please do so in the response template in **Attachment B**.

5.7 Secondary storage capacity transactions

The proposed changes to the Law in the draft Bill would delete the definitions of 'primary capacity transaction', 'secondary capacity transaction' and 'disposal'. As a result it is proposed to include definitions in the Rules to replace those definitions and to make other consequential changes to Part 18.

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
Sellers of secondary storage capacity to report on the prices and other key non-price terms and conditions for any capacity trades. The information is to be published on the BB.	Define 'primary capacity transaction' and 'secondary capacity transaction' as those terms are no longer defined in the Law. Clarify that where there is a master trading agreement, each transaction under the agreement is a separate transaction for reporting purposes. This clarification would extend to all transaction types.	New definitions of 'capacity right', 'primary capacity', 'primary capacity transaction' and 'secondary capacity transaction'. Related new definitions are 'master trading agreement', 'transaction' and 'transfer'. The term 'primary pipeline capacity' would be deleted.

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
	<p>Bring secondary capacity transactions relating to capacity for use of a BB storage service within the scope of Part 18.</p> <p>Exclude novations and related party transactions.</p>	<p>New definitions of 'BB storage service' and 'BB storage capacity transaction'.</p> <p>Consequential changes would provide for:</p> <ul style="list-style-type: none"> ▪ the term 'excluded transaction' to become 'excluded capacity transaction'; ▪ the term 'related party transaction' to cover related party transactions for transportation or storage capacity; and ▪ the term 'capacity transaction reporting agent' to be replaced with 'BB reporting agent', since BB reporting agents will be used for a broader range of reporting obligations.
	<p>Provide for a 'BB storage capacity transaction' to be a type of BB capacity transaction.</p>	<p>A new definition of 'BB transportation capacity transaction' would cover what used to be a 'BB capacity transaction'.</p> <p>The definition of 'BB capacity transaction' would be amended to encompass a BB transportation capacity transaction or a BB storage capacity transaction.</p>
	<p>Specify the information that must be reported for a BB storage capacity transaction. As much of the information is similar to the information required for a BB transportation capacity transaction, to avoid duplication it is proposed to include this within the definition of 'capacity transaction information'</p>	<p>In rule 141(2A), information specific to BB transportation capacity transactions would be in paragraph (d) and information specific to BB storage capacity transactions would be in paragraph (e).</p> <p>What is now paragraph (f) would allow for prices expressed in \$/GJ (rather than \$/GJ/day).</p> <p>A consequential change would be made to the definition of term 'service term'.</p>
	<p>Identify the party to the transaction who is responsible for providing the short term gas transaction information to AEMO.</p>	<p>The term 'capacity seller' would be amended to cover transactions for transportation or storage capacity.</p>

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
	Provide for: <ul style="list-style-type: none"> ▪ AEMO to report GSH transactions and the capacity seller to report all others; ▪ the time at which the information must be provided; and ▪ a person with a reporting obligation who is not registered under Part 18 to report using a BB reporting agent if they wish to do so. 	Rule 190C (capacity seller) and rule 190E (AEMO). The reporting agent provision would be moved from rule 190D to rule 162.
	Provide for AEMO to publish the information but preclude AEMO from publishing party names.	Rule 195A.

6. Supply and availability of gas

This section describes the proposed approach in the Rules to the implementation of the measures relating to the supply and availability of gas.

The BB Procedures would also need to be amended to provide for matters such as the information to be provided to AEMO for registration of a field owner and BB field. They would also provide more information on the sub-classifications to be used when reporting on the type and nature of the gas field and other classifications where SPE-PRMS does not provide for a classification. AEMO would make these changes using the Procedures amendment process in the Rule. Consequential changes are needed to Part 15B as shown in Attachment A3.

6.1 Reserves and resources information

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
<p>Producers to report the following on the BB, in accordance with the ACCC's proposed reporting framework, but allowing for joint venture parties to jointly report if jointly marketing gas:</p> <ul style="list-style-type: none"> ▪ 1P, 2P, 3P reserves and 2C resources (by field and, in the case of reserves, broken down into developed and undeveloped reserves); ▪ 12 month movements in 2P reserves (by field and broken down into production, extensions, net acquisitions, reserves upgrades, reserves downgrades and other revisions); ▪ gas field information (e.g. the location of the field, the producer's net revenue interest in the field, the type of gas in the field and the nature of the gas field); ▪ the development status and likely timing of production from material fields (i.e. fields 	<p>Bring interests in a natural gas field for which a petroleum tenement has been granted within the scope of Part 18.</p>	<p>New definitions of 'BB field', 'field', 'petroleum' and 'petroleum tenement'.</p>
	<p>Exempt offshore fields supplying exclusively to an exempt NT facility.</p> <p>Provide for these exemptions to come to an end if either the exempt NT facility ceases to be exempt, or if the field ceases to satisfy the condition that it must be supplying exclusively to an exempt NT facility if it is to be exempt.</p> <p><i>[See section 6.1.1 Policy Clarification]</i></p>	<p>New definitions of 'exempt NT field' and 'exempt NT field owner' in rule 143A(1).</p> <p>Rule 143A(2A) specifies the exemption.</p> <p>Rules 143A(3) and (3A) specify when the exemption ceases and Part 18 starts to apply.</p>
	<p>Require each person with a net revenue interest in a petroleum tenement to register with AEMO under Part 18 in respect of its interest.</p> <p>Require AEMO to include details in the BB register.</p> <p>The term 'BB field interest' would be used to refer to the percentage interest of a person in a BB field.</p>	<p>New definitions of 'BB field interest', 'field owner' and 'net revenue interest'.</p> <p>The entity would also be a 'BB reporting entity'.</p> <p>Rule 151 in new Subdivision 3.1 would provide for registration of field owners and BB field interests.</p> <p>New Subdivision 3.2 provides for the registration process, early registration and revocation of registration.</p> <p>The list of matters to be included in the BB register in rule 147(1) would be amended.</p>

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
<p>with more than 50 PJ of reserves or contingent resources) and a list of any barriers to the commercial recovery of 2C resources in these fields; and</p> <ul style="list-style-type: none"> the sensitivity of 2P estimates to a +/-10% change in gas price assumptions to be reported to AEMO for publication on the BB in an anonymised and aggregated manner. <p><i>Refer to section 6.1.1 of this consultation paper for policy clarification.</i></p>	<p>Allow a corporate group to nominate one entity to report on behalf of all group entities.</p> <p>Unless engaged in joint marketing, each person or corporate group with an interest in a tenement would need to register separately, so that gas price assumptions used to estimate reserves and resources are not shared.</p>	<p>New definitions of 'field owner group' and 'responsible field owner'.</p> <p>New subrules 151(2) to (6) and rule 155 deal with registration as part of a field owner group.</p> <p>New rule 158 deals with changes to group registrations.</p>
	<p>Allow persons who are engaged in joint marketing of natural gas from a field in which they have a net revenue interest to nominate one entity to report on behalf of the joint marketing participants.</p> <p>To provide transparency, require the BB register to note that registration as a group is on the basis of joint marketing and the names of the participants.</p>	<p>New definitions of 'field owner group' and 'responsible field owner'.</p> <p>New subrules 151(2) to (6) and rule 155 would deal with registration as part of a field owner group.</p> <p>New rule 158 would deals with changes to group registrations.</p> <p>New paragraph (d) in rule 147(1) requires the register to include particulars of the registration of the group on the basis of joint marketing.</p>
	<p>Allow the tenement holder to determine the 12 month period over which it will report. This is to allow the tenement holder to choose timing that aligns with other reporting obligations.</p> <p>Allow the BB Procedures to provide for changes to the reporting period if agreed with AEMO.</p>	<p>New definition of 'reserves reporting year' in rule 171(7) and provision for change in rule 171(8).</p> <p>The term would be used where relevant in Subdivision 5.2.</p>
	<p>Identify who the BB reporting entity for a BB field interest is and what is meant by 'its' field interests to clarify that this denotes registration as the BB reporting entity, not ownership.</p>	<p>Paragraph (d) of the definition of 'BB reporting entity' in rule 141.</p> <p>The interpretation provision would be included in rule 141(4).</p>

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
	<p>Require the BB reporting entity to give AEMO information about its BB field interests, covering:</p> <ul style="list-style-type: none"> ▪ the location of the field; ▪ the basin in which it is located, using a basin name in the BB Procedures; ▪ the processing facility used to process gas from the field; ▪ the net revenue interest (as a percentage); ▪ where reporting for a field owner group, the net revenue interest of each member of the group (as a percentage); ▪ the nature of the gas field; and ▪ the type of gas in the field. <p>The information is to be provided on registration and annually after that by the annual reporting date for the BB field interest. AEMO would include a list of basins in the BB Procedures.</p>	<p>Rule 171A(1) in subdivision 5.2.</p>
	<p>Require the BB reporting entity to give AEMO reserves and resources information for its BB field interests, covering:</p> <ul style="list-style-type: none"> ▪ 1P, 2P and 3P reserves of processable gas as at the end of the reserves reporting year (based on sales quantities), broken down into developed and undeveloped reserves, and 2C resources; ▪ movements in 2P reserves of processable gas over the reserves reporting year down into the relevant categories; ▪ information on the development status of 2P reserves and 2C resources in fields that meet the materiality threshold; and ▪ a list of barriers to recovery of the 2C resources. <p>The information is to be provided 40 business days after the end of the reserves reporting year for the BB field interest. The 40 day period is proposed on the basis that it is consistent with the period allowed for reserves reporting under other some other reporting schemes.</p>	<p>New definitions of '2C resources' and '1P reserves', '2P reserves' and '3P reserves' and 'proved and probable reserves' in rule 171(1). Rule 171B(1), (2) and (5).</p>

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
	<p>Require a BB reporting entity to update reserves and resources information for a BB field interest if:</p> <ul style="list-style-type: none"> ▪ the total reserves estimate across all its BB field interests changes by 50 PJ or more as a result of changes in its BB field interests, re-evaluation of reserves or resources or discoveries; or ▪ it provides a new estimate to a government, government agency or a securities exchange. 	Rule 171B(6).
	<p>Require a BB reporting entity to give AEMO information about the sensitivity of its 2P reserves estimates to a +/-10% change in the relevant gas price assumption.</p> <p>Require AEMO to publish the information in an aggregated form.</p>	Rules 171B(3) and 194(2)(c).
	Require a BB reporting entity to give AEMO a statement of the basis of preparation of the reserves and resources estimates.	Rule 171B(4).
	Amend the BB information standard to make it relevant to reserves and resources reporting and set the standard by reference to relevant industry standards.	New paragraph (b) in rule 165(2).
	Specify that SPE-PRMS must be used for the classification of reserves and resources and (where it applies) any other classification required.	New definition of 'SPE-PRMS' and rules 171(1) and (2).
	Specify that all reserves and resources information must be prepared by, or under the supervision of, a qualified petroleum reserves and resources evaluator.	Rule 171(5) and the new definition of 'qualified gas industry professional'.
	Specify that forecast economic conditions must be used when estimating reserves and resources.	Rule 171(4).
	<p>Specify how gas price assumptions used when estimating contracted and uncontracted reserves and resources are to be derived.</p> <p>Require the gas price assumptions used for uncontracted reserves to be verified by an independent qualified petroleum reserves and resources evaluator, in a verification statement.</p>	Rule 171(6).

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
	Allow the AER to require the BB reporting entity to appoint an independent qualified gas industry professional to undertake an audit of the information provided to AEMO relating to BB field interests.	Rule 171C(1).

6.1.1 Policy Clarification for NT offshore reserves and resources

The policy position set out in the DRIS stated that reserves and resources reporting in the NT (both onshore and offshore) would not be eligible for an exemption in the same way that NT LNG facilities are eligible for exemptions.

Visibility over reserves and resources that **exclusively** supply gas to exempt NT LNG facilities is not expected to provide any insight into gas supply to the domestic gas market. The policy has therefore been clarified to enable NT field owners to obtain an exemption from reporting reserves and resources information and participating in the GSOO if they supply gas exclusively to NT LNG facility that is eligible for an exemption. If these field owners commence supplying any gas to the domestic market, this exemption will no longer apply, and they will need to commence reporting.

In determining whether the field is supplying the exempt LNG facility exclusively, on-supply from the exempt NT facility will be disregarded. However, if as a result of on-supply the exempt NT facility loses its exemption, the field will also cease to be exempt.

If you would like to provide feedback on this issue, please respond in the template provided in **Attachment B**.

6.2 Gas price assumptions

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 17 or 18
Producers to report on the gas price assumptions underpinning the reserves and resources estimates.	Require the BB reporting entity for a BB field interest to provide to the AER its gas price assumptions and the verification statement.	Part 18, rule 171C(2).
The information is to be provided to the AER, for publication on an anonymised and aggregated basis.	Require the AER to publish at intervals determined by the AER, and at least annually, the gas price assumptions used by BB reporting entities to prepare reserves and resources estimates, on an anonymised basis.	Part 17, rule 140A.

6.3 Annual drilling activities

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 15D.
<p>Producers to report on annual drilling activities (i.e. the number of exploration, appraisal and development wells drilled).</p> <p>The information is to be used by AEMO for the GSOO.</p> <p>NT facilities that have an exemption under rule 143A would be exempt from this requirement.</p>	Specify in the Rules that the GSOO must include information about the number and type of wells drilled.	Part 15D, rule 135KB(1A).
	The GSOO Procedures would determine who must participate in the GSOO surveys and what information must be provided. This could extend to field owners and information about annual drilling activities.	The framework for the GSOO survey is described in section 9 below.
	To give effect to the exemption referred to in the endorsed option, exemptions from the GSOO survey process would apply to the exempt NT facilities and the field owners for offshore fields that exclusively supply to exempt NT facilities.	Part 15D, rules 135KA(2), (3) and (4). These provisions would rely on the exemptions in rule 143A in Part 18.

6.4 Production estimates and contracted production

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 15D
<p>Producers to report on the volume of gas they intend to produce and the volume of production that has already been contracted for each year of the GSOO forecast horizon.</p> <p>The information is to be used by AEMO for the GSOO.</p> <p>NT facilities that have an exemption under rule 143A would be exempt from this requirement.</p>	Specify that the GSOO must include information about gas production forecasts and the volume of gas production that has been contracted for each year of the forecast horizon.	Rules 135KB(1)(aa) and (ab).
	The GSOO Procedures would determine who must participate in the GSOO surveys and what information must be provided. This could extend to field owners and information about production forecasts and contracted production.	The framework for the GSOO survey is described in section 9 below.
	To give effect to the exemption referred to in the endorsed option, exemptions from the GSOO survey process would apply to the exempt NT facilities and the field owners for offshore fields that exclusively supply to exempt NT facilities.	Part 15D, rules 135KA(2), (3) and (4). These provisions would rely on the exemptions in rule 143A in Part 18.

6.5 LNG export supply-demand balance

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 15D
LNG exporters to report on their LNG facility's short and medium term demand-supply balance.	Part 15D would be drafted on the basis that the demand-supply balance refers to the demand-supply balance of the project as a whole, not that of a particular LNG exporter.	Rule 135K, definition of 'LNG export project' and 'demand-supply balance information'.
NT facilities that have an exemption under rule 143A would be exempt from this requirement.	Specify that the GSOO must include demand-supply balance information for LNG export projects. AEMO would determine the period for which the information will be required as part of the GSOO survey process.	Rule 135KB(1)(ca).
	To give effect to the exemption referred to in the endorsed option, exemptions from the GSOO survey process would apply to the exempt NT facilities and the field owners for offshore fields that exclusively supply to exempt NT facilities.	Part 15D, rules 135KA(2), (3) and (4). These provisions would rely on the exemptions in rule 143A in Part 18.

6.6 LNG import facilities and LNG import quantities

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18 or Part 15D
<p>LNG import facilities to report the volume of LNG imports (reported on a shipment basis along with other shipment information). The information is to be published through the BB.</p>	<p>Define the categories of information that must be provided for LNG import shipments.</p>	<p>Paragraph (b) of the new definition of 'LNG shipment data'.</p>
	<p>Provide for the BB reporting entity for an LNG import facility to be responsible for providing the LNG import data to AEMO.</p>	<p>Rule 188A(2).</p>
	<p>Specify that the information must be provided no later than the business day after commencement of unloading.</p>	<p>Rule 188A(2).</p>
<p>LNG import facilities to report a range of operational and supply information (similar to the information reported by production and storage facilities). This row deals with information to be published through the BB.</p>	<p>Bring LNG import facilities within the scope of Part 18. Provide for storage to be treated as part of the LNG import facility and not as a gas storage facility.</p>	<p>Add a new definition of 'LNG import facility' and provide that it is a type of 'LNG processing facility'. Provide for an LNG processing facility to be a type of 'BB facility'. Add a new definition of 'liquefied natural gas'. Amend the definition of 'gas storage facility' to exclude storage facilities within an LNG import facility.</p>
	<p>Require the service provider for an LNG processing facility to register with AEMO under Part 18 as the BB reporting entity for the facility.</p>	<p>Include the LNG service provider for an LNG processing facility as a 'facility operator' in the definition in rule 141(1). Rule 150 in new Division 3.1 would provide for the registration of facility operators. Paragraph (a) of the definition of BB reporting entity covers all registered facility operators.</p>
	<p>Provide for the daily capacity and nameplate rating of an LNG import facility to be defined by reference to:</p> <ul style="list-style-type: none"> ▪ the quantity of LNG that the LNG import facility can receive and process into storage on a gas day; ▪ the quantity of LNG that the LNG import facility can hold in storage; ▪ the quantity of LNG that can be withdrawn from storage for processing to a gaseous state on a gas day; and ▪ the quantity of natural gas (in a gaseous state) that can be injected into one or more pipelines from the facility on a gas day. 	<p>Amendments to the definition of 'daily capacity' in rule 141(1) and 'nameplate rating' in rule 141(2)(a).</p>

	<p>Provide for operational information about LNG import facilities to be provided as follows:</p> <ul style="list-style-type: none"> ▪ nameplate rating information; ▪ detailed facility information; ▪ 36-month uncontracted capacity outlook; ▪ short and medium capacity outlooks; ▪ nominated and forecast use information; and ▪ daily production and storage data, covering each of the four elements in the definition of 'nameplate rating' for an LNG import facility. 	<p>Nameplate rating information: Covered under rule 168.</p> <p>Detailed facility information: Include LNG processing facilities in rule 169(4)(b).</p> <p>36-month uncontracted capacity outlook: Paragraph (b) of the new definition 'uncontracted primary capacity' covers LNG import facilities. New rule 175 requires the 36-month outlooks to be provided.</p> <p>Short term capacity outlook and material intra-day changes in capacity: No change required to rule 178 to cover LNG import facilities.</p> <p>Medium term capacity outlook: No change required to rule 181 to cover LNG import facilities other than allowing the time for submission to be specified in the BB Procedures where facilities do not provide updates to shippers.</p> <p>Nominated and forecast use of LNG import facilities: Include reporting about LNG import facilities in rule 185.</p> <p>Daily production and storage data: Include a reference to LNG import facilities in rule 188(1)(e) and in the definition of 'daily production data'.</p>
<p>LNG import facilities to report a range of operational and supply information (similar to the information reported by production and storage facilities).</p>	<p>Require LNG import facility operators to provide information to AEMO through the GSOO survey.</p> <p>AEMO will determine who must participate in the GSOO survey through the GSOO Procedures framework.</p>	<p>The framework for the GSOO survey is described in the table in section 9 below.</p>
<p>This row deals with information that informs the demand-supply balance for use for the GSOO.</p>	<p>Require AEMO to include information in the GSOO about:</p> <ul style="list-style-type: none"> ▪ the quantity of gas LNG import facility operators intend to import; ▪ the quantity of LNG imports that has already been contracted for each year of the GSOO forecast horizon; ▪ annual and peak day capacity of, and constraints affecting, LNG import facilities; ▪ committed and proposed new or expanded LNG import facilities; and ▪ factors that may affect the volume of gas supplied by LNG import facilities such as planned and unplanned outages. 	<p>In Part 15D, paragraphs (aa), (ab), (b), (c) and (i) of rule 135KB(1).</p>

7. Demand for gas

This section describes the proposed approach in the Rules to implementation of the measures relating to the demand for gas.

7.1 Large users

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
<p>Large users that meet the reporting threshold (i.e. connection point capacity of 10TJ/day or more) to report the following:</p> <ul style="list-style-type: none"> ▪ the nameplate capacity of the connection point to their facility; ▪ detailed facility information (i.e. the name of the pipeline and delivery points to which their facility is connected); and ▪ daily gas consumption (to be reported in accordance with the timing in the BB Procedures). <p>Large users would be able to obtain an exemption from reporting on their daily consumption if they can demonstrate they did not consume more than 10 TJ/day in the last 12 months and are not expected to do so in the next 12 months. This may be done by reference to the maximum daily quantity (MDQ) specified in the gas supply agreement, gas transportation agreement or retail agreement, where a large user is only relying on a firm service.</p>	<p>Bring large user facilities within the scope of Part 18.</p> <p>A BB large user facility would be a user facility that meets the reporting threshold.</p> <p>In order to apply the reporting threshold in a consistent manner, it is proposed that the Rules will define 'user facility' by reference to the term 'facility' under the National Greenhouse and Energy Reporting Act of the Commonwealth.</p>	<p>New definitions of 'user facility' and "NGER Act".</p> <p>Amendments to the 'reporting threshold' definition specify the reporting threshold for user facilities.</p> <p>Add a new definition of 'BB large user facility' and include it as a type of 'BB facility'.</p> <p>Amend other definitions as required for the new provisions: 'daily capacity', 'daily consumption data', 'facility operator', 'material change', 'nameplate rating'.</p>
	<p>Require the operator of a BB large user facility to register with AEMO under Part 18.</p> <p>It is proposed that all BB large users would need to register with AEMO in relation to their BB facility. Registration is required to enable AEMO to identify the facility and facility operator and where necessary to give the facility operator system access for reporting purposes. The BB Procedures may allow reporting by email if the only information required after registration is the nameplate rating and detailed facility information.</p> <p>BB large users would be able to appoint a BB reporting agent to report to AEMO on their behalf.</p>	<p>Include the facility operator for a BB large user facility in the 'facility operator' definition in rule 141(1).</p> <p>Rule 150 in new Subdivision 3.1 will require registration by all facility operators.</p> <p>Rule 162 would provide for appointment of an agent.</p>
	<p>Provide for the daily capacity and nameplate rating of a large user facility to be defined by reference to the quantity of natural gas that connections to the facility are capable of allowing to be delivered to the facility from a pipeline on a gas day.</p>	<p>Amendments to the definition of 'daily capacity' in rule 141(1) and 'nameplate rating' in rule 141(2)(a).</p>

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
	<p>Amend the provisions describing information to be provided in relation to BB facilities in Division 5, to the extent required to deal with BB large user facilities separately from other facilities and to require only:</p> <ul style="list-style-type: none"> ▪ nameplate rating information, which is to be provided on registration and annually as required by the BB Procedures, but not within the year if there is a material change; ▪ detailed facility information; and ▪ daily consumption data (unless exempt). 	<p>Nameplate rating information: Rule 168 will apply, but exclude BB large user facilities from subrule (3), which deals with material change.</p> <p>Detailed facility information: Amend rule 169(4)(b).</p> <p>Daily consumption data: New rule 189 and the new definition of 'daily consumption data'.</p>
	<p>Exclude BB large user facilities from obligations to report short and medium term capacity information.</p>	<p>Short term capacity outlook: Exclude BB large user facilities from rule 178(1).</p> <p>Medium term capacity outlook: Exclude BB large user facilities from rule 181(1).</p>
	<p>Provide for BB large users in a regulated retail gas market to report nameplate capacity (rule 168) and detailed facility information (rule 169), but not daily consumption data, as that will be reported by AEMO (rule 189).</p>	<p>The changes related to nameplate capacity information and detailed facility information are explained above.</p> <p>For daily consumption data:</p> <ul style="list-style-type: none"> ▪ exclude BB large users in a regulated retail gas market from the obligation to report the data under rule 189(1); and ▪ require AEMO to report the information under rule 189(2).
	<p>Provide for:</p> <ul style="list-style-type: none"> ▪ BB large users that are the only large user at a delivery point on a transmission pipeline; and ▪ BB large users with annual consumption less than 10 TJ, to be exempt from reporting daily consumption data if they obtain an exemption from AEMO. <p>Those two categories of BB large users may also be able to obtain an exemption under rule 164(2) from reporting detailed facility information if AEMO has that information from elsewhere.</p>	<p>Rule 190 would:</p> <ul style="list-style-type: none"> ▪ provide for AEMO to exempt a BB reporting entity from the obligation to provide daily consumption data for its BB large user facility (on application), where the exemption criteria are met; and ▪ allow AEMO to require information to verify that the exemption criteria continue to be met and revoke the exemption if not. <p>Details of the exemption application process are to be included in the BB Procedures.</p> <p>Rule 164(2): No change would be required.</p>

7.2 LNG export facilities and LNG export quantities

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
<p>LNG exporters to report:</p> <ul style="list-style-type: none"> ▪ the nameplate capacity of the connection point to their LNG export facility and the nameplate capacity of the LNG export facility; ▪ detailed facility information (i.e. the name of the pipeline and delivery points to which their facility is connected); ▪ the short and medium term capacity outlook for the LNG export facility; and ▪ daily gas consumption by the LNG export facility. <p>NT facilities that have an exemption under rule 143A would be exempt from this requirement.</p> <p>If the LNG export facility is the only one being supplied at the pipeline delivery point, and the information is already reported to AEMO by the relevant pipeline operator, then the LNG facility would be able to get an exemption from reporting this information. The information would be published on the BB.</p>	<p>Bring LNG export facilities within the scope of Part 18.</p> <p>Provide for storage included in such a facility to be treated as part of the LNG export facility and not as a gas storage facility.</p>	<p>Add a new definition of 'LNG export facility' and provide that it is a type of 'LNG processing facility'.</p> <p>Provide for an LNG processing facility to be a type of 'BB facility'.</p> <p>Add a new definition of 'liquefied natural gas'.</p> <p>Amend the definition of 'gas storage facility' to exclude storage facilities within an LNG processing facility.</p>
	<p>Require the service provider for an LNG processing facility to register with AEMO under Part 18 as the BB reporting entity for the facility.</p> <p>An LNG export facility and its operator that are exempt from Part 18 under rule 143A would be exempt from the obligation to register.</p>	<p>Include the LNG service provider for an LNG processing facility as a 'facility operator' in the definition in rule 141(1).</p> <p>Rule 150 in new Subdivision 3.1 will require registration by all facility operators.</p> <p>Paragraph (a) of the definition of BB reporting entity covers all registered facility operators.</p> <p>No change to rule 143A is required to extend the exemption to LNG export facilities that meet the exemption criteria.</p>
	<p>Provide for the daily capacity and nameplate rating of an LNG export facility to be defined by reference to:</p> <ul style="list-style-type: none"> ▪ the quantity of natural gas that connections to the facility are capable of allowing to be delivered to the facility from a pipeline on a gas day; and ▪ the quantity of natural gas that the facility is capable of processing to a liquefied state on a gas day. 	<p>Amendments to the definition of 'daily capacity' in rule 141(1) and 'nameplate rating' in rule 141(2)(a).</p>

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
	<p>Provide for operational information about LNG export facilities to be provided as follows:</p> <ul style="list-style-type: none"> ▪ nameplate rating information; ▪ detailed facility information; ▪ short and medium capacity outlooks; and ▪ daily consumption data, covering both elements in the definition of 'nameplate rating' for an LNG export facility. 	<p>Nameplate rating information: Covered under rule 168.</p> <p>Detailed facility information: Include LNG processing facilities in rule 169(4)(b).</p> <p>Short term capacity outlook and material intra-day changes in capacity: No change required to rule 178 to cover LNG export facilities.</p> <p>Medium term capacity outlook: No change required to rule 181 to cover LNG export facilities other than allowing the time for submission to be specified in the BB Procedures where facilities do not provide updates to shippers.</p> <p>Daily consumption data: Include a new rule 189A and provide for LNG export facilities in the new definition of 'daily consumption data'.</p>
	<p>Provide for AEMO to exempt an LNG processing facility from the obligation to provide daily consumption data, where (in summary), the LNG processing facility is the only recipient of gas withdrawn at delivery points for the facility.</p>	<p>Rule 190.</p> <p>Details of the exemption application process are to be included in the BB Procedures.</p>
<p>LNG exporters to report the volume of LNG exported in each shipment (within 20 business days after the end of the month in which the shipment occurs).</p> <p>NT facilities that have an exemption under rule 143A would be exempt from this requirement.</p> <p>The information would be published on the BB.</p> <p><i>Refer to section 7.2.1 of this consultation paper for policy clarification.</i></p>	<p>Define the categories of information that must be provided for LNG export shipments.</p>	<p>Paragraph (a) of the new definition of 'LNG shipment data'.</p>
	<p>Provide for the BB reporting entity for an LNG export facility to be responsible for providing the LNG export data to AEMO.</p>	<p>Rule 188A(1).</p>
	<p>Provide for the information to be reported to AEMO within 1 business days after the LNG is loaded.</p>	<p>Rule 188A(1).</p>
	<p>Provide for AEMO to delay publication of the information until 20 business days after the end of the month in which the LNG is loaded.</p>	<p>Rule 194(2)(d).</p>

7.2.1 Policy Clarification - Reporting times for LNG shipment information

The policy position as set out in the DRIS stated that the LNG shipment information would be reported 20 business days after the end of the month in which the shipment occurs.

To reduce the risk that LNG producers will forget to provide the information to AEMO, the policy has been clarified to require:

- LNG exporters to report the LNG shipments to AEMO within 1 business day of the LNG being loaded, which is consistent with the time that LNG importers have to report LNG imports to AEMO; and
- AEMO will be required to publish the information no earlier than 20 business days after the end of the month in which the LNG is loaded.

If you would like to provide feedback on this issue, please do so in the response template in **Attachment B**.

8. Infrastructure

This section describes the proposed approach in the Rules to implementation of the measures in the endorsed option relating to infrastructure.

8.1 Infrastructure developments

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18 or Part 15B
<p>Entities developing new infrastructure with a nameplate capacity of 10TJ or more to report the following information for both proposed and committed developments:</p> <ul style="list-style-type: none"> ▪ the type of facility that is proposed or committed; ▪ the location of the facility; ▪ the proposed name of the facility (if known); ▪ the proposed nameplate rating; ▪ the stage of development, applying an assessment framework determined by AEMO; and ▪ the proposed commissioning date, or date range. <p>The information is to be published on the BB.</p>	<p>Bring projects for the development of new BB facilities or the expansion of existing BB facilities within the scope of Part 18, when the project satisfies the criteria for being a 'proposed' or 'committed' development under the BB Procedures.</p>	<p>New definitions of 'facility development project' and 'facility developer'.</p> <p>As these are defined using the term 'BB facility', the 10 TJ reporting thresholds defined in rule 141(1) will apply.</p>
	<p>Require the facility developer for a facility development project to register for the Bulletin Board and to register as the BB reporting entity for its facility development project.</p>	<p>Rule 152 in new Subdivision 3.1 provides for registration.</p>
	<p>Identify who is the BB reporting entity for a facility development project and what is meant by 'its' facility development project to clarify that this denotes registration as the BB reporting entity, not ownership.</p>	<p>New paragraph (e) in the definition of 'BB reporting entity'.</p> <p>New paragraph (c) in the interpretation provision in rule 141(4).</p>
	<p>Provide for one facility developer to report on behalf of the other facility developers if there is more than one facility developer for a facility development project.</p>	<p>New definitions of 'facility developer group' and 'responsible facility developer'.</p> <p>New subrules 152(3) and (4) and rule 155 deal with registration as part of a facility developer group.</p> <p>New rule 158 deals with information to be provided for group registrations and changes to group registrations.</p>
	<p>Require the BB reporting entity for a facility development project to report information to AEMO about the project, as provided for in the recommendation.</p> <p>The information is to be reported on registration and annually thereafter. The information must be updated if no longer accurate.</p>	<p>New rule 190F.</p> <p>As a consequential change, remove the obligation in rule 168(1)(b) for a BB reporting entity to provide information about any planned permanent capacity expansion due to modification of a BB facility.</p>
	<p>Provide for AEMO to publish the framework for assessing the stage of development as part of the BB Procedures.</p>	<p>Amend the list of matters to be included in the BB Procedures in Part 15B.</p>
	<p>Specify the BB information standard for information about facility development projects.</p>	<p>Add a new paragraph (d) to the BB information standard in rule 165(2).</p>

8.2 36-month uncontracted capacity outlooks – storage and compression

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
Storage and stand-alone compression facility operators to report a 36-month uncontracted capacity outlook and a list of users with contracted capacity.	Bring compression service facilities that meet the reporting threshold within the scope of Part 18.	<p>Define ‘stand-alone compression service facility’ by reference to the definition in Part 24 of the Rules. The term ‘designated compression service facility’ is defined in the Law.</p> <p>Add a new definition of ‘BB compression facility’ to cover stand-alone and designated compression service facilities that meet the reporting threshold and include a ‘BB compression facility’ as a type of ‘BB facility’.</p> <p>Specify the reporting threshold for compression service facilities in the ‘reporting threshold’ definition.</p> <p>Add other definitions required for the new provisions: ‘compression delivery point’, ‘compression facility operator’ and ‘compression receipt point’.</p>
	Require the operator of a BB compression facility to register with AEMO under Part 18.	<p>Include the compression service provider for a compression service facility in the ‘facility operator’ definition.</p> <p>Rule 150 in new Subdivision 3.1 will require all facility operators to register.</p>
	Amend the rules to extend the 12-month outlook of uncontracted storage capacity to 36 months.	<p>A new definition of ‘uncontracted primary capacity’ extends to uncontracted primary storage capacity.</p> <p>Rule 175 has been amended to cover all 36-month uncontracted primary capacity outlooks.</p>
	Provide for 36-month outlook of uncontracted capacity in relation to BB compression facilities.	<p>A new definition of ‘uncontracted primary capacity’ extends to uncontracted primary compression capacity.</p> <p>Rule 175 has been amended to cover all 36-month uncontracted primary capacity outlooks.</p>
	Provide for storage and stand-alone compression facility operators to report a list of users with contracted capacity.	<p>New definition of ‘primary compression capacity’.</p> <p>Rule 172 would be amended to cover all reporting of shippers with contracted primary capacity.</p>

8.3 Stand-alone compression facilities

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
Stand-alone compression facility operators to report equivalent operational information to pipelines.	Bring compression service facilities that meet the reporting threshold within the scope of Part 18. Require the operator of a BB compression facility to register with AEMO under Part 18.	Refer to the table at section 8.2.
	Provide for the daily capacity and nameplate rating of a compression service facility to be defined by reference to the quantity of natural gas that can be compressed by the compression service facility on a gas day.	Amendments to the definition of 'daily capacity' in rule 141(1) and 'nameplate rating' in rule 141(2)(a).
	Amend the provisions describing information to be provided in relation to BB facilities in Division 5, to the extent required to deal with BB compression facilities separately from other facilities and to require these to report: <ul style="list-style-type: none"> ▪ nameplate rating information; ▪ detailed facility information; ▪ primary compression capacity; ▪ short term capacity outlooks; ▪ linepack adequacy indicators; ▪ medium term capacity outlooks; ▪ nominated and forecast use information; and ▪ daily production data. 	<p>Nameplate rating information: Include new rule 168(2B), and amendments to the definition of 'daily capacity' in rule 141(1) and 'nameplate rating' in rule 141(2)(e).</p> <p>Detailed facility information: Amend rule 169(4)(b).</p> <p>Primary compression capacity: Include primary compression capacity in the new definition of 'primary capacity' and require reporting under amended rule 172.</p> <p>Secondary trade data: Amend rule 174(1) and the new definition of 'secondary compression facility'.</p> <p>Short term capacity outlook: No change required to rule 178 to extend it to BB compression facilities.</p> <p>Linepack adequacy indicator for all BB compression facilities: Amend 'LCA flag' and insert a new rule 180.</p> <p>Medium term capacity outlook: No change required to rule 181 to extend it to BB compression facilities other than allowing the time for submission to be specified in the BB Procedures where facilities do not provide updates to shippers.</p> <p>Nominated and forecast use of compression facilities: Insert new rule 184.</p> <p>Daily production and storage data: Include a reference to BB compression facilities in rule 188(1), and amend the definition of 'daily production data'.</p>

8.4 36-month uncontracted capacity outlooks – production facilities

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
<p>Production facilities (excluding the NT facilities that have an exemption under rule 143A) to report a 36-month uncontracted capacity outlook.</p>	<p>Provide for 36-month outlook of uncontracted capacity in relation to BB production facilities.</p> <p>Note that the term ‘uncontracted capacity’ is defined as primary capacity that the facility operator has available for sale or will have available for sale, so for those production facilities that are not providing third party access, the uncontracted capacity will be reported as zero.</p> <p>BB facilities upstream of a WPP connection point are exempt from registration under Part 18 (unless a BB application notice is issued) under existing rule 143A(2). This would extend to the gas processing element of an exempt NT LNG facility.</p>	<p>A new definition of ‘uncontracted primary capacity’ extends to uncontracted primary production capacity.</p> <p>Rule 175 would be amended to cover all 36-month uncontracted primary capacity outlooks.</p>

8.5 Materiality threshold

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
<p>Materiality threshold used for the reporting of intra-day changes on the BB to be changed to the maximum of A and B, where A is the minimum of 30 TJ and 10% of nameplate capacity and B is 5 TJ.</p>	<p>Amend the definition.</p> <p>Amend the use of the materiality threshold in rule 168 so that it triggers an obligation to update nameplate rating information. Other information under that rule which would be subject to the accuracy trigger.</p>	<p>Amend paragraphs (c) and (d) of the definition of ‘material change’ in rule 141(1).</p> <p>Amend rule 168(4) and delete rule 168(5).</p>

8.6 Policy Clarification – Facility Operators reporting of nominations and forecast nominations

Since the DRIS was published, it has become clear that some facilities are not providing third party access where the user does not make nominations to the facility operator (i.e. because they are one and the same person). This has reportedly resulted in no information on the forecast use of some facilities being reported, even though the facilities are being used, which is inconsistent with the intent of these BB provisions.

To address this gap, the rules relating to nominated and forecast use of storage, pipeline, production and LNG import facilities have been clarified to require facility operators to report either the nominations for gas day D and forecast nominations for gas day D+1 to D+6 provided by BB shippers, or their own forecast for these gas days where that information is not provided by the BB shippers. An equivalent obligation already applies to compression facility operators, so it is proposed to extend this obligation to cover storage, pipeline and production facilities. The table in section 11 provides more information about how this change will be implemented.

If you would like to provide feedback on this issue, please respond in the template provided in **Attachment B**.

9. GSOO

This section describes the proposed approach in the Rules to implementation of the measures relating to the GSOO.

9.1 Mandatory GSOO survey

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 15D
<p>Amend the NGL and NGR to allow AEMO to collect information through a mandatory survey</p> <p>The NT LNG facilities that have an exemption under rule 143A would be exempt from having to complete the mandatory survey.</p>	<p>Include new definitions to support the operation of the GSOO survey.</p>	<p>Rule 135K.</p>
	<p>Replace references to 'gas production facilities' with references to 'gas processing plants' to reflect the use of that term in the NGL.</p>	<p>As required in Part 15D.</p>
	<p>Specify who must participate in a GSOO survey. The provision would allow AEMO to specify who must respond in the GSOO Procedures.</p>	<p>New definition of 'GSOO reporting entity'.</p>
	<p>The operator of an exempt NT facility would be exempt in relation to the exempt NT facility.</p> <p>The field owner of an offshore field supplying gas only to an exempt NT facility would be exempt from the GSOO arrangements.</p>	<p>Rules 135KA(2), (3) and (4). These provisions would rely on the exemptions in rule 143A in Part 18.</p>
	<p>Include a provision requiring participation in GSOO surveys by GSOO reporting entities.</p>	<p>Part 15D, rule 135KE and the definition of 'GSOO reporting entity'.</p>
	<p>Include a provision requiring a GSOO reporting entity to provide information that is has in its possession or control and requested in the GSOO survey.</p> <p>Specify that Part 15D does not require a GSOO reporting entity to disclose information to AEMO if the information is not required to be disclosed due to the operation of subsection 91DB(4)(a) or (b) of the NGL, which preserve legal professional privilege and the privilege against self-incrimination.</p>	<p>Part 15D, rule 135KE(4).</p>

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 15D
	Specify the information standard for responses to the GSOO survey. This reflects the BB information standard in Part 18 but has been modified to reflect the different context in which it applies. In addition, the standard deals expressly with forecasts.	Part 15D, rules 135KG(3) and (4).
	Provide for the GSOO Procedures to include the definition of GSOO reporting entities.	Part 15D, new rule 135KF(1).
	Provide for the GSOO Procedures to specify matters such as the time to respond to a GSOO survey and the manner and form in which the information is to be provided.	Part 15D, rule 135KF(2).
	Specify other matters to be included in the GSOO Procedures.	Part 15B, new rule 135EA(6).
	Provide that AEMO is not required to verify the information provided.	Part 15D, rule 135KG(5).
	Provide that AEMO may use information provided in response to a GSOO survey for preparation of the GSOO, but provide for protected information to be disclosed only on an anonymised and aggregated basis.	Part 15D, rule 135KH.

9.2 Extend the coverage of the GSOO to the NT

Endorsed measure	Proposed approach to implementation	Proposed amendments in Part 18
Extend the coverage of GSOO to the NT.	Delete rule 135KA(2) and replace it with new provisions that exempt from the GSOO survey the operators of exempt NT facilities and offshore fields supplying only those facilities.	Rules 135KA(2), (3) and (4). These provisions would rely on the exemptions in rule 143A in Part 18.

10. Transitional arrangements

This section provides a guide to the transitional arrangements. If you would like to provide feedback on any of these transitional arrangements, please do so in the response template in **Attachment B**.

10.1 Transitional provisions

Transitional measure	Proposed approach to implementation	Proposed amendments to Schedule 1
Commencement date for the transitional rules	<p>The transitional rules will come into effect when the Minister makes the package of Rules under proposed new section 294FA of the Law.</p> <p>The transitional rules would be in a separate schedule to the Rules package and that schedule will come into effect when the amendment Rule is made.</p>	Not applicable – to be covered in the amending Rule when made by the Minister.
Commencement date for the balance of the Rules package.	<p>The balance of the rules package will come into effect on a date to be determined in 2021.</p> <p>The balance of the Rules package will be in one or more schedules to the Minister-made Rule. The Minister made Rule will specify the commencement date.</p> <p>This will enable AEMO to conduct a GSOO survey for the GSOO to be published in March 2022.</p>	Not applicable – to be covered in the amending Rule when made by the Minister.
Amendments to the BB Procedures	<p>Provide for AEMO to review, amend and publish the BB Procedures to take into account the Rules package.</p> <p>This would be completed at least 3 months before the commencement date.</p>	Schedule 1, Part 15, rule 76.
New GSOO Procedures	<p>Provide for AEMO to develop and publish the new GSOO Procedures.</p> <p>This would be completed at least 3 months before the commencement date.</p>	Schedule 1, Part 15, rule 76.

Transitional measure	Proposed approach to implementation	Proposed amendments to Schedule 1
Transition of existing registrations	<p>Continue registrations in effect under Part 18 on the commencement date.</p> <p>Provide for the reporting entities for transitional compression facilities under Schedule 5, and the transitional compression facilities, to be automatically registered under Part 18.</p> <p>Rename 'capacity transaction reporting agents' as 'BB reporting agents' and 'BB transportation facility users' as 'capacity sellers'.</p>	Schedule 1, Part 15, rule 77.
Registration of existing facilities	<p>Require the facility operator for a:</p> <ul style="list-style-type: none"> ▪ BB compression facility; ▪ BB large user facility; or ▪ LNG processing facility, <p>commissioned on or before the commencement date to apply for Part 18 registration no later than 20 business days after the commencement date.</p> <p>This would be subject to the exemption for members of a facility operator group (other than the responsible facility operator).</p>	Schedule 1, Part 15, subrules 78(1), (2) and (6).
Registration of existing fields	<p>Require a person with an interest in a BB field on the commencement date to apply for registration under Part 18 not later than 20 business days after the commencement date.</p> <p>This would be subject to the exemption for members of a field owner group (other than the responsible field owner).</p>	Schedule 1, Part 15, subrules 78(3), (4) and (6).
Registration of existing facility development projects.	<p>Require a project developer for a facility development project that satisfies the criteria in the BB Procedures to be classified as a proposed or committed development on or before the commencement date to apply for registration under Part 18 not later than 20 business days after the commencement date.</p>	Schedule 1, Part 15, subrules 78(5) and (6).

Transitional measure	Proposed approach to implementation	Proposed amendments to Schedule 1
AER price reporting function	<p>Require that the AER does not publish information (other than information about gas price assumptions) under the new price reporting rules until after the ACCC publishes its final report in the ACCC gas inquiry.</p> <p>Require the AER to consult about the initial price information order and the initial determination under rule 140B(2) using the standard consultative procedure.</p> <p>Clarify that the AER may publish gas price assumptions at any time after the commencement date.</p>	Schedule 1, Part 15, rule 79.
Detailed facility information	Require the BB reporting entity for a BB transmission pipeline to give AEMO the additional categories of detailed facility information 20 business days after commencement.	Schedule 1, Part 15, rule 80.
Price reporting guidelines	Require the AER to publish the initial price reporting guidelines under rule 198H in new Part 18A no later than 5 months after the date Part 18A commences.	Schedule 1, Part 15, rule 81.

11. Incidental Rule amendments

This section provides an overview of the incidental amendments proposed for Part 15B and Part 18 of the Rules. If you would like to provide feedback on any of these incidental amendments, please do so in the response template in **Attachment B**.

Proposed amendment	Proposed approach to implementation	Proposed changes in Part 18
Part 15B		
The requirement for the BB Procedures to define demand zones and production zones would be removed.	The provision is now redundant as demand zones and production zones were removed from Part 18 by an AEMC-made rule change following the east coast gas review.	Delete paragraph 135EA(3)(g).
Part 18		
The registration provisions in Subdivision 3.1 would be restructured and simplified to clarify registration obligations and to remove unnecessary duplication.	<p>The registration provisions in their current form are the result of changes made for the first round of BB enhancements in 2018 and later additions. With the addition of new registration categories, it is timely to update and simplify them.</p> <p>Under the old structure, registration of the facility operator, facility, BB reporting entity for the facility and facility operator groups were dealt with in separate provisions. Allowance was made for the entities and facilities already registered when BB enhancements came into effect in 2018.</p> <p>Under the proposed new provisions, the focus is on the obligation to register as a BB reporting entity and the time by which the application to register must be made. The BB Procedures will allow AEMO to structure its registration procedures to have standing registrations for entities and facilities, and to link an entity with a facility as a BB reporting entity. If the BB reporting entity changes, AEMO will be able to make the change without requiring a new registration of the entity or facility.</p> <p>The rules allow AEMO to have a modified registration process for entities that only report very infrequently.</p> <p>New Subdivision 3.1 will retain and extend the 'group' registration arrangements so that where there is more than one person who would be required to register for a BB facility, BB field interest or facility development project, one of them to be nominated as the person required to register.</p>	<p>Amendments to cross references in relevant definitions in rule 141(1) (in 'registered BB shipper' and 'responsible facility operator').</p> <p>In Division 3, Subdivisions 3.1 and 3.2 will be replaced.</p> <p>New Subdivision 3.1 will set out the registration categories and obligations to register and will explain the effect of group registration.</p> <p>New Subdivision 3.2 will deal with the registration process, revocation of registration and obligations to update registration information and will provide for registration subject to conditions requiring a defective application to be remedied or missing information to be provided.</p> <p>Rule 144(2) will be amended to remove reference to the Part 18 replacement date and instead deal with registration of former remote BB facilities through rule 150.</p> <p>Rule 190D about reporting through an agent will be moved to rule 162 and updated.</p> <p>The transitional rules will deal with entities already registered when the amended rules come into effect.</p>

Proposed amendment	Proposed approach to implementation	Proposed changes in Part 18
<p>The registration provisions will require registration to occur if AEMO is reasonably satisfied that the applicant, or relevant facility or field, is eligible for registration.</p> <p>AEMO will also be able to impose conditions requiring any defects in the registration application to be remedied after registration has occurred.</p>	<p>Part 18 imposed the obligation to report on the BB reporting entity. An entity will only be a BB reporting entity once registered. In order to prevent an applicant benefiting from a defective application, thereby delaying registration, it is proposed that new rules will require registration to occur at the earliest opportunity and will allow AEMO to impose conditions on the registration to require defects to be remedied or missing information to be provided within a time set by AEMO.</p> <p>Allowing registration based on incomplete applications is considered appropriate as (unlike other markets managed by AEMO) registration for the BB is not a condition of market entry; persons required to register are already participating in the market and should not have the opportunity to delay reporting under Part 18 by delaying BB registration.</p>	<p>Rules 157(5) to (8) will provide for registration subject to conditions requiring a defective application to be remedied or missing information to be provided.</p>
<p>The content of the BB register would be amended to reflect the new registration arrangements and new reporting categories.</p>	<p>There can be more than one facility operator for a BB facility, field owner for a BB field interest or facility developer for a facility development project.</p> <p>The new registration provisions require only the registration of the entity taking on the role of BB reporting entity. As a consequence, AEMO will not publish details about the BB reporting entity and not all facility operators for a facility. A similar approach will apply where there is more than one field owner or facility developer with the result that only the BB reporting entity will be included in the BB register.</p> <p>The identity of BB transportation facility users would not be included in the BB register.</p>	<p>Deletion of rules 147(1)(a), former rule (1)(g) (now replaced) and (3)(a).</p> <p>Other changes to rule 147 are consequential on the changes made to implement the endorsed option.</p>
<p>Information about exemptions would be made available through the BB, but not necessarily on the BB register.</p>	<p>Exemptions are available under rule 164 and under proposed rule 190.</p> <p>To promote transparency, information should be available about exemptions. AEMO has indicated that information about exemptions will be included on the BB but may not be in the BB register.</p>	<p>New rule 147(1A).</p>
<p>Provisions that are no longer required due to gas day harmonisation would be removed.</p>	<p>The rule requiring information to be provided to AEMO about the gas day for a facility will be removed and consequential drafting changes made.</p>	<p>Amendments to 'daily capacity' and 'gas day' in rule 141(1).</p> <p>Deletion of rule 170.</p>

Proposed amendment	Proposed approach to implementation	Proposed changes in Part 18
Provisions that are no longer required due to the NT application date having occurred would be removed.	The rule about the NT application date will be removed and consequential drafting changes made.	Deletion of 'NT application date' and 'NT interconnector' in rule 141(1). Deletion of rule 143. Deletion of rule 147(4).
The treatment of cushion gas in a storage facility would be clarified.	Rule 188(1)(c) would require the BB reporting entity for a BB storage facility to state how much of the quantity of natural gas held in each of its BB storage facilities at the end of gas day D is storage cushion gas.	New definition of 'storage cushion gas'. Amendment to rule 188(1)(c).
Changes would be made to use 'D', 'D+1' etc. consistently in Part 18.	Amend Part 18 so that 'D' is used to refer to the gas day for which information is provided (or the start of a period of gas days such as D+1 to D+6) and D-1 or D+1 would be used to specify whether the information is provided before or after day D.	Amend 'short term capacity outlook' and rules 178(2), 179(2), 187(1), 187(2), 188(1), 190B(1) and 194(3).
The 'purpose' statement in rule 145 would be updated.	The statement would be amended to: <ul style="list-style-type: none"> ▪ refer to information 'relating to the natural gas industry', consistent with the proposed changes to Chapter 7 of the Law; and ▪ extend paragraph (c), about negotiations for access to BB pipelines, to negotiations about access to other BB facilities providing third party access. 	Amend rule 145.
Allow for reporting in PJ.	Allow flexibility to require reporting in PJ rather than TJ as specified in Part 18 or the BB Procedures.	Define 'PJ'. Amend clause 141(3).
Clarify the provisions dealing with the application of Part 18.	Clarify the current statement in rule 142. Add a statement that Part 18 does not apply to a petroleum title granted in respect of the offshore area of Western until provided for under the relevant WA legislation.	Renumber current rule 142 as rule 142(1) and amend. Add a new rule 142(2).
Extend the scope of 'detailed facility information' provided for BB pipelines to reflect the extended scope of the BB.	Require the detailed facility information for a BB pipeline to include compression service facilities, BB large user facilities or LNG processing facilities to which the receipt or delivery points on the BB pipeline connect.	Amend rule 169(4)(a)(i).

Proposed amendment	Proposed approach to implementation	Proposed changes in Part 18
<p>Allow for the use of forecasts where nominations are not provided.</p> <p><i>Refer to section 8.6 of this consultation paper for policy clarification.</i></p>	<p>Amend Subdivision 5.5 of Division 5, which deals with nominated and forecast use of BB facilities excluding BB large user facilities and LNG export facilities to change 'nominations' for gas day D to 'nominated or forecast quantities' and to allow 'forecasts' for gas days D+1 to D+6 to be based on the BB reporting entity's forecast or on forecast nominations where these are provided by BB shippers.</p>	<p>BB storage facilities: Amend rule 182(1) and deleted rule 182(2).</p> <p>BB pipelines: Amend rule 183(1) and deleted rule 183(4).</p> <p>Production facilities: Amend rule 185(1) and deleted rule 185(2).</p>
<p>Allow for facilities where no operational metering is installed.</p>	<p>Allow for AEMO and a BB reporting entity to agree how actual flows or use will be determined where there is no operational metering.</p>	<p>New rule 186(2).</p> <p>As a consequential changes, amend the definitions of 'daily production data' and 'daily flow data' to remove the phrase 'that is metered as having been, or estimated in good faith by the pipeline operator to have been' each time it occurs.</p>

Proposed amendment	Proposed approach to implementation	Proposed changes in Part 18
Drafting corrections, updates and clarifications	Correct, update or clarify drafting and cross referencing. Define terms that are used multiple times in existing or proposed new rules to reduce duplication.	<p>Correct the cross reference in 'BB information standard'.</p> <p>Amend paragraph (b)(ii) of 'daily production data' to align with the equivalent paragraph in 'daily capacity' and 'nameplate rating' in subrule 141(2)(b)(ii).</p> <p>Define 'exchange agreement' and use the definition as required in Part 18.</p> <p>Define 'GST' and use the definition as required in Part 18.</p> <p>Add a reference to 'operational transportation services agreements' in paragraph (a) of 'BB shipper' and correct paragraph (c).</p> <p>Update the notes in rules 165 and 166.</p> <p>Replace '<i>delivery or receipt point</i>' with '<i>receipt or delivery point</i>' where it appears in Part 18.</p> <p>Remove redundant words in rule 169(2).</p> <p>Deleted rule 177, as the content is now covered by rule 175.</p> <p>Correct the drafting in rule 194(2) so that it applies to all publication, not just publication on the BB.</p> <p>Clarify in rule 194(4)(b) that the obligation to aggregate data relating to market generators applies to NT market generators as well as those in the NEM.</p> <p>Extend rule 194(5) to all aggregation methods under the rule.</p> <p>Clarify the drafting of rule 195(2).</p> <p>Provide expressly that subrule (5) in rule 195A is subject to the remainder of the rule.</p>

12. Proposed civil penalty provisions

The following table lists the provisions in the Law and Rules that are proposed to be classified as civil penalty provisions in the Law or Regulations. The proposed tiers for the civil penalty provisions align with the proposed classification of tiers for the reform of the Australian Energy Regulator Civil Penalty Regime⁴¹, which was released for public consultation in July 2020. Energy Ministers' approval of the final classification of tiers, Decision Matrix and Concepts Table, is anticipated in late 2020 or early 2021. If you would like to provide feedback on the proposed tiers, please do so in the response template in **Attachment B**.

Section or rule	Summary of provision	Explanatory notes	Proposed tiers
Section 57	Requirement for a person to comply with a price information order.	Section 57 of the Law currently applies to general regulatory information orders and is classified as a civil penalty provision under section 3 of the Law. The section will be extended to require compliance with price information orders.	Tier 1 for consistency with regulatory information order provisions in the NEL; Extend its application to include price information order
Section 91DB(1)	Requirement for a person who has possession or control of information in relation to the natural gas industry to give the information to AEMO for use by AEMO in the preparation of the gas statement of opportunities if the person is required to do so under the Rules.	Classification of this provision as a civil penalty provision is consistent with the mandatory nature of the GSOO survey. Proposed section 91DB(1) is similar to the obligation to provide information for the BB under section 223. Section 223 is classified as a civil penalty provision by section 3 of the Law.	Tier 2 – Inappropriate Market Participant Behaviour – General reporting requirements to a regulator
Section 91DD	Requirement that a person must not give GSOO information to AEMO that the person knows is false or misleading in a material particular.	An equivalent prohibition applies in relation to BB information under section 225 and is also classified as a civil penalty provision by section 3 of the Law.	Tier 1 – Supply security and reliability – AEMO ability to operate power system efficiently (same as existing equivalent provision s 225)

⁴¹ Available at: <http://www.coagenergycouncil.gov.au/publications/proposed-classification-tiers-reform-australian-energy-regulator-civil-penalty-regime>

Section or rule	Summary of provision	Explanatory notes	Proposed tiers
Section 223(1) of the NGL, as amended by the draft Bill	Requirement for a person who has possession or control of information in relation to the natural gas industry to give the information to AEMO for use by AEMO in connection with the Natural Gas Services Bulletin Board if the person is required to do so under the Rules.	Section 223(1) in its current form is already classified as a civil penalty provision by section 3 of the Law. Section 223A(1) is also classified as a civil penalty provision under the Regulations. The section is to be deleted.	Existing: Tier 2 – Inappropriate Market Participant Behaviour – General reporting requirements to a regulator
Rule 135KE(2)	Requirement for a GSOO reporting entity to participate in a GSOO survey in accordance with the GSOO Procedures.	Classification of this provision as a civil penalty provision is consistent with the mandatory nature of the GSOO survey.	Tier 2 – Inappropriate Market Participant Behaviour – General reporting requirements to a regulator
Rule 135KG(1)	Requirement for a GSOO reporting entity to provide GSOO information to AEMO by the time specified in the GSOO Procedures.	Classification of this provision as a civil penalty provision is consistent with the mandatory nature of the GSOO survey.	Tier 2 – Inappropriate Market Participant Behaviour – General reporting requirements to a regulator
Rule 135KG(2)	Requirement for a GSOO reporting entity to provide GSOO information to AEMO in the manner and form specified in, and otherwise in accordance with, the GSOO Procedures.	Classification of this provision as a civil penalty provision is consistent with the mandatory nature of the GSOO survey.	Tier 2 – Inappropriate Market Participant Behaviour – General reporting requirements to a regulator
Rule 135KG(3)	Requirement for a GSOO reporting entity to ensure that information it provides for a GSOO survey is prepared and submitted in accordance with the practices, methods and acts that would reasonably be expected from an experienced and competent person: <ul style="list-style-type: none"> ▪ engaged in the activity in which the GSOO reporting entity engages in Australia; ▪ having the qualifications and experience reasonably to be expected of a person preparing the information in Australia; and ▪ acting with all due skill, diligence, prudence and foresight and in compliance with all applicable legislation (including these rules), authorisations and industry codes of practice. 	Classification of this provision as a civil penalty provision is consistent with the classification of other provisions in the Rules specifying information standards.	Tier 2 – Inappropriate Market Participant Behaviour – General reporting requirements to a regulator

Section or rule	Summary of provision	Explanatory notes	Proposed tiers
Rule 135KG(4)	Requirement for a GSOO reporting entity to ensure that a forecast or estimate provided for a GSOO survey is arrived at on a reasonable basis and represents the best forecast or estimate possible in the circumstances.	Classification of this provision as a civil penalty provision is consistent with the classification of other provisions in the Rules specifying information standards.	Tier 2 – Inappropriate Market Participant Behaviour – General reporting requirements to a regulator
Rule 150(1)	Requirement for a facility operator to register under Part 18 as the BB reporting entity for each BB facility for which it is a facility operator.	Proposed new rule 150(1) will replace current rules 150(1), 151(1) and 156(1)(b), which are classified as civil penalty provisions.	Existing provision is Tier 1 – Supply Security & Reliability – Security and safety of supply in the gas system. New equivalent provision would remain at this classification.
Rule 150(2)	Requirement for a facility operator to apply to register not later than: <ul style="list-style-type: none"> ▪ for a new BB facility, including a natural gas industry facility that becomes a BB facility following an extension or expansion, 20 business days before the facility or the relevant expansion or extension to the facility is commissioned; ▪ where there is a change to the facility operator for a BB facility, 20 business days after the facility operator becomes a facility operator for the BB facility; or ▪ where applicable, 20 business days after an exemption from registration under Part 18 ceases to apply. 	Proposed new rule 150(2) will replace current rules 150(2), 151(2), 156(3)(b) and 156(5), which are classified as civil penalty provisions.	Existing provision is Tier 1 – Supply Security & Reliability – Security and safety of supply in the gas system. New equivalent provision would remain at this classification.
Rule 151(1)	Requirement for a field owner to register under Part 18 as the BB reporting entity for each BB field interest for which it is a field owner.	This is a new requirement. Classification as a civil penalty provision is consistent with the classification of the equivalent existing provision for registrations relating to BB facilities.	Existing provision is Tier 1 – Supply Security & Reliability – Security and safety of supply in the gas system.

Section or rule	Summary of provision	Explanatory notes	Proposed tiers
Rule 151(2)	<p>Requirement for a field owner to apply to register not later than:</p> <ul style="list-style-type: none"> ▪ 20 business days after the field owner becomes a field owner for the BB field interest, including by reason of the acquisition of the interest or the grant of a petroleum tenement; or ▪ where applicable, 20 business days after an exemption from registration under Part 18 ceases to apply. 	<p>This is a new requirement. Classification as a civil penalty provision is consistent with the classification of the equivalent existing provision for registrations relating to BB facilities.</p>	<p>Existing provision is Tier 1 – Supply Security & Reliability – Security and safety of supply in the gas system.</p>
Rule 152(1)	<p>Requirement for a facility developer to register under Part 18 as the BB reporting entity for each facility development project for which it is a facility developer.</p>	<p>This is a new requirement. Classification as a civil penalty provision is consistent with the classification of the equivalent existing provision for registrations relating to BB facilities.</p>	<p>Tier 1 – Supply Security & Reliability – Security and safety of supply in the gas system.</p>
Rule 152(2)	<p>Requirement for a facility developer to apply to register no later than:</p> <ul style="list-style-type: none"> ▪ for a new facility development project, 20 business days after the facility development project first satisfies the criteria in the BB Procedures to be classified as a proposed development; ▪ where there is a change to the facility developer for a registered facility development project, 20 business days after the facility developer becomes a facility developer for the facility development project; or ▪ where applicable, 20 business days after an exemption from registration due to the appointment of a responsible facility developer ceases to apply. 	<p>This is a new requirement. Classification as a civil penalty provision is consistent with the classification of the equivalent existing provision for registrations relating to BB facilities.</p>	<p>Tier 1 – Supply Security & Reliability – Security and safety of supply in the gas system.</p>

Section or rule	Summary of provision	Explanatory notes	Proposed tiers
Rule 153(1)	Requirement for a BB allocation agent to register under Part 18 as the BB reporting entity for each BB allocation point for which it is the BB allocation agent.	Proposed new rule 153(1) will replace current rules 158A(1) and 158B(1) which are classified as a civil penalty provisions.	Existing r 158A(1) is Tier 2 – Market administration – inadequate record keeping or administrative processes Existing 158B(1) is Tier 1 – Supply Security & Reliability – Security and safety of supply in the gas system.
Rule 153(2)	Requirement for a BB allocation agent to apply to AEMO to register under Part 18 in respect of a BB allocation point not later than: <ul style="list-style-type: none"> ▪ for a new BB allocation point, 20 business days after the relevant point becomes a BB allocation point; and ▪ where the BB allocation agent for a BB allocation point changes, 20 business days after the person becomes the BB allocation agent for the BB allocation point. 	Proposed new rule 153(2) will replace current rules 158A(2), 158B(2) and 158B(5) which are classified as civil penalty provisions.	As above; plus r 158B(5) is Tier 1 - Supply Security & Reliability – Security and safety of supply in the gas system.
Rule 155(3)	Requirement for each member of a facility operator group, field owner group or facility developer group to procure, and where necessary facilitate, the compliance of the relevant responsible reporting entity with its obligations under Part 18 in relation to (as applicable) the relevant BB facility, relevant group of BB field interests or relevant facility development project.	To the extent it deals with facility operator groups, proposed new rule 155(3) will replace current rule 152(6)(e) which is classified as a civil penalty provision.	Existing rule is Tier 1 – Unacceptable Market Participant Behaviour – Financial gain to contravener
Rule 156(2)	Requirement for the outgoing BB reporting entity to give notice within 5 business days to AEMO of the change.	To the extent it deals with a change relating to a BB facility, proposed new rule 156(2) will replace current rules 156(1)(a) and 156(4) which are classified as civil penalty provisions. To the extent it deals with a change relating to a BB allocation point, proposed new rule 156(2) will replace current rule 158B(3)(b) which is classified as civil penalty provision.	Existing rule: 156(1) and 156(4) are Tier 1 - Supply Security & Reliability – Security and safety of supply in the gas system.

Section or rule	Summary of provision	Explanatory notes	Proposed tiers
157(8)	Requirement for a BB reporting entity to comply with conditions of registration, which AEMO may impose to ensure that defects in applications are remedied and information required on registration is provided.	Classification of this provision as a civil penalty provision is consistent with classification of the primary obligation to register as a civil penalty provision.	Tier 1 – Supply Security & Reliability
Rule 158(2)	Requirement for a responsible reporting entity to update the information about the relevant facility operator group, field owner group or facility developer group provided to AEMO on registration if there is any change.	To the extent it deals with a change relating to a BB facility, proposed new rule 158(2) will replace current rule 157 which is classified as a civil penalty provision.	Tier 1 – Supply Security & Reliability
Rule 165(1)	Requirement to comply with the BB information standard as set out in rule 165(2). Rule 165(2) is to be amended to extend it to reporting for BB field interests and facility development projects.	Rule 165(1) is already classified as a civil penalty provision. Its operation will be extended to new BB reporting entities as a consequence of the change to rule 165(2).	Tier 1 – Supply Security & Reliability
Rule 165(4)	Requirement to comply with the BB information standard when submitting updated information or data to AEMO under Part 18.	Rule 165(4) is already classified as a civil penalty provision. Its operation will be extended to new BB reporting entities as a consequence of the change to rule 165(2).	Tier 1 – Supply Security & Reliability
Rule 171(2)	Requirement that where information to be reported relating to reserves and resources requires a thing to be classified, it must be classified in accordance with: <ul style="list-style-type: none"> ▪ SPE-PRMS, in the most specific resource class in which petroleum resources can be classified under SPE-PRMS; or ▪ where SPE-PRMS does not provide for its classification, the BB Procedures. 	Classification of this provision as a civil penalty provision is consistent with classification of the requirement to comply with the BB information standard as a civil penalty provision.	Tier 1 – Consistent with classification of BB provisions – Supply Security & Reliability
Rule 171(5)	Requirement that reserves and resources estimates provided to AEMO must be prepared by, or under the supervision of a qualified gas industry professional.	Classification of this provision as a civil penalty provision is consistent with classification of the requirement to comply with the BB information standard as a civil penalty provision.	Tier 2 – Analogous to 158A(1) and (2).

Section or rule	Summary of provision	Explanatory notes	Proposed tiers
Rule 171(6)	<p>Requirement for gas price assumptions used to prepare reserves and resources estimates to:</p> <ul style="list-style-type: none"> ▪ for contracted reserves, take into account contract prices and price escalation mechanisms over the contract term and any extension to it, if there is a reasonable expectation) that the contract will be extended; and ▪ for uncontracted reserves, use prices the BB reporting entity forecasts it will receive for the gas which must be verified by an independent qualified gas industry professional as falling within the range of gas price forecasts used or adopted by qualified gas industry professionals for the purpose of preparing such estimates or published by reputable independent Australian sources of gas price forecast information for Australia. 	<p>Classification of this provision as a civil penalty provision is consistent with classification of the requirement to comply with the BB information standard as a civil penalty provision.</p>	<p>Tier 1 – Analogous to 165(4) – Supply Security & Reliability</p>
Rule 198D(1)	<p>Requirement for a service provider required by Part 18A to prepare, publish and maintain information to do so in accordance with the Part 18A information standard</p>	<p>Classification of this provision as a civil penalty provision is consistent with classification of the equivalent provision in Part 23.</p>	<p>Equivalent provision in Part 23 (r 552(1)(a)) is proposed as Tier 2 – Inappropriate Market Participant Behaviour – General reporting obligations</p>
Rule 198D(3)	<p>Requirement that a service provider who becomes aware that information required to be published by it under Part 18A does not comply with the Part 18A information standard or Part 18A, or is inaccurate, the service provider must publish information that does comply as soon as practicable after the service provider becomes aware of the non-compliance or inaccuracy.</p>	<p>Classification of this provision as a civil penalty provision is consistent with classification of the equivalent provision in Part 23.</p>	<p>Equivalent provision in Part 23 (r 552 (1)(a)) is proposed as Tier 2 – Inappropriate Market Participant Behaviour – General reporting obligations</p>
Rule 198E(1)	<p>Requirement that a service provider for a Part 18A facility must prepare, publish and maintain standing terms in accordance with rule 198E and weighted average price information in accordance with rule 198F in accordance with the NGL, Part 18A and the price reporting guidelines.</p>	<p>Classification of this provision as a civil penalty provision is consistent with classification of the equivalent provision in Part 23.</p>	<p>Equivalent provision in Part 23 (r 552 (1)(b)) is proposed as Tier 2 – Inappropriate Market Participant Behaviour – General reporting obligations</p>

Section or rule	Summary of provision	Explanatory notes	Proposed tiers
Rule 198J(7)	Requirement that a service provider for a Part 18A facility for which an exemption has been granted under Part 18A must notify the AER without delay if circumstances change such that the Part 18A facility no longer qualifies for the exemption.	Classification of this provision as a civil penalty provision is consistent with classification of the equivalent provision in Part 23.	Equivalent provision in Part 23 (r 585(8)) is proposed as Tier 2 – Inappropriate Market Participant Behaviour – General reporting obligations
Rule 198K(2)	Requirement that a service provider for a Part 18A facility for which an exemption has been granted must comply with any conditions of the exemption.	Classification of this provision as a civil penalty provision is consistent with classification of the equivalent provision in Part 23.	Equivalent provision in Part 23 (r 586(2)) is proposed as Tier 1 – Unacceptable Market Participant Behaviour – Failure to comply with notice or request from regulator

13. Potential reduction of duplication in the Law

While not part of the Draft Bill, the following table identifies those areas of the Law that would benefit from the removal of some of the duplication that has emerged over time. Stakeholder feedback on these potential changes to the Law is sought. If you would like to provide feedback on this issue, please do so in the response template in **Attachment B**.

Should a decision be made to make these changes, they would come into effect at the same time as other changes to the NGL.

Item	Provisions	Observations	Potential changes to NGL to reduce duplication
1	<p>Proposed ss 91DC, 91DD, 91DE</p> <p>ss 91FEB, 91FEC and 91FED</p> <p>s 91FEF, 91FEG 91FEH</p> <p>s 224, 225 and 226</p>	<ul style="list-style-type: none"> ▪ Proposed s 91DC provides that a person must not refuse to comply with the requirement in s 91DB (to give GSOO information to AEMO) on the ground of any duty of confidence. This provision is identical to ss 91FEB (STTM information), 91FEF (capacity auction information) and 224 (BB information). ▪ Proposed s 91DD provides that a person must not give GSOO information to AEMO that the person knows is false or misleading in a material particular. This is identical to ss 91FEC (STTM information), 91FEG (capacity auction information) and 225 (BB information), save that s 225 (for reasons which are not apparent) is not currently an offence provision, and the others are. ▪ Proposed s 91DE deals with the immunity of persons giving GSOO information to AEMO. This is identical to ss 91FED (STTM information), 91FEH (capacity auction information) and 226 (BB information). 	<p>In order to cut down on duplication, all of these provisions could be consolidated into a new Division (possibly, immediately before Division 7 of Part 6 of Chapter 2). This new Division could include the following:</p> <ul style="list-style-type: none"> ▪ A provision modelled on proposed s 91DC, which provides that a person must not refuse to comply with the requirements in ss 91DB(1), 91FEA(1), 91FEE(1) or 233(1) on the ground of any duty of confidence. ▪ A provision modelled on proposed s 91DD, which provides that a person must not give GSOO information, STTM information, capacity auction information or BB information to AEMO that the person knows is false or misleading in a material particular. ▪ A provision modelled on proposed s 91DE, which provides that a person who gives GSOO information, STTM information, capacity auction information or BB information to AEMO does not incur any civil monetary liability etc. <p>Notes referring to the new standalone provisions could then be inserted into ss 91DB, 91FEA, 91FEE and 223.</p> <p>If this change were made, the following provisions could be deleted:</p> <ul style="list-style-type: none"> ▪ proposed new ss 91DC, 91DD and 91DE (in the draft Bill); ▪ ss 91FEB (STTM information), 91FEF (capacity auction information) and 224 (BB information); ▪ ss 91FEC (STTM information), 91FEG (capacity auction information) and 225 (BB information); and ▪ ss 91FED (STTM information), 91FEH (capacity auction information) and 226 (BB information). <p>The cross reference to section 225 in the list of civil penalty provisions in s 3 could also be replaced with a cross reference to the equivalent new standalone provision.</p>

Item	Provisions	Observations	Potential changes to NGL to reduce duplication
2	ss 91FC(5), 91FC(7) and 91FE	<p>There is also a degree of overlap with the market information instrument provisions. In particular:</p> <ul style="list-style-type: none"> ▪ s 91FC(5) provides that ‘the duty to comply with a market information instrument prevails over a duty of confidence’. This is similar to proposed s 91DC. ▪ s 91FE is in the same terms as proposed s 91DD, except that s 91FE is a penalty provision. ▪ s 91FC(7) provides that ‘a person incurs no liability, by complying with a market information instrument, for breach of contract, breach of confidence or any other civil wrong.’ Proposed s 91DE is in similar terms, but s 91FC(7) confers an absolute immunity, whereas the immunity in relation to complying with a requirement to give GSOO information etc in section 91DE does not apply if the person acted in bad faith or through negligence. 	<p>These aspects of the market information instruments could also be incorporated in the new standalone provisions. This could be done, for instance, by:</p> <ul style="list-style-type: none"> ▪ extending the new standalone provision modelled on proposed s 91DC to information provided in accordance with s 91FC(3); and ▪ extending the new standalone provisions modelled on proposed ss 91DD and 91DE to information provided in accordance with s 91FC(3). <p>An alternative approach would be to:</p> <ul style="list-style-type: none"> ▪ make the new standalone provision modelled on proposed s 91DC apply to ‘any requirement under the NGL, the Regulations or the Rules to give information to AEMO’ (rather than to the requirements in ss. 91DB(1), 91FEA(1), 91FC(3), 91FEE(1) or 233(1)); and ▪ make the new standalone provisions modelled on proposed ss 91DD and 91DE apply to any information that the person is required under the NGL, the Regulations or the Rules to give to AEMO (rather than to GSOO information etc.). <p>The redundant provisions could then be repealed.</p>
3	Proposed s 91DG. ss 91BM, 91BRI,91BRP, 91MA, 228	<p>Proposed s 91DG deals with the nature of GSOO Procedures. Everything in proposed s 91DG(3), (4) and (5) also appears in:</p> <ul style="list-style-type: none"> ▪ s 91BM(3), (4) and (5) (Wholesale Market Procedures). ▪ s 91BRI(3), (4) and (5) (STTM Procedures). ▪ s 91BRP(3), (4) and (5) (Capacity Transfer and Auction Procedures). ▪ s 91MA(3), (4) and (5) (Retail Market Procedures). ▪ ss 228(3), (4) and (5) (BB Procedures). <p>There are differences as follows:</p> <ul style="list-style-type: none"> ▪ an additional provision dealing with the requirement to give an indemnity is included in s 91BM(3)(d) and s 91MA(3)(e). ▪ s 91MA(3)(a) is unique. 	<p>The following changes could be made to reduce the duplication across these provisions:</p> <ul style="list-style-type: none"> ▪ A new standalone provision in Division 11 of Part 6 of Chapter 2 could apply to all AEMO Procedures (covering the Wholesale Market Procedures, the STTM Procedures, the Capacity Transfer and Auction Procedures, the Retail Market Procedures, the BB Procedures and the GSOO Procedures) ▪ The new standalone provision could be based on proposed s 91DG(3), (4) and (5). ▪ The equivalent of s 91DG(3)(c) in the new standalone provision should state that: <ul style="list-style-type: none"> - the Capacity Transfer and Auction Procedures may confer rights or impose obligations on a transportation service provider, a transportation facility user, a capacity auction participant or a gas trading exchange member; and - all other Procedures may confer rights or impose obligations on any person.

Item	Provisions	Observations	Potential changes to NGL to reduce duplication
		<p>In addition, there are variations in how proposed s 91DG(3)(c) is mirrored in the other provisions:</p> <ul style="list-style-type: none"> ▪ s 91BM(3)(c) provides that the Wholesale Market Procedures may confer rights or impose obligations on 'Registered participants, exempted participants, or other persons'. ▪ s 91BRI(3)(c) provides that the STTM Procedures may confer rights or impose obligations on 'STTM trading participants, exempted participants, or other persons'. ▪ s 91BRP(3)(c) provides that the Capacity Transfer and Auction Procedures may confer rights or impose obligations on 'a transportation service provider, a transportation facility user, a capacity auction participant or a gas trading exchange member'. ▪ s 91MA(3)(d) provides that the Retail Market Procedures may confer rights or impose obligations on 'Registered Participants, exempted participants, users, end users or other persons'. 	<ul style="list-style-type: none"> ▪ The equivalent of s 91BM(3)(d) and 91MA(3)(e) could be moved into the new standalone provision, but expressed to apply only to the Wholesale Market Procedures and Retail Market Procedures. ▪ The following sections could be deleted and replaced with provisions that states that the new standalone provision applies to the relevant Procedures: <ul style="list-style-type: none"> - ss 91BM(3), (4) and (5). - ss 91BRI(3), (4) and (5). - ss 91BRP(3), (4) and (5). - proposed new ss 91DG(3), (4) and (5) (in the draft Bill). - ss 228(3), (4) and (5). ▪ ss 91MA(3), (4) and (5) could be deleted and replaced with a provision that provides that the Retail Market Procedures may apply to regulated retail gas markets generally or any 1 or more the regulated retail gas markets (i.e. s 91MA(3)(a)), and that otherwise, the new standalone provision applies to the Procedures.
4	Compliance with AEMO Procedures	<p>Proposed s 91DH deals with compliance with the GSOO Procedures. It is in identical terms to s 228A (BB Procedures).</p> <p>These sections are similar to other provisions dealing with compliance with other AEMO Procedures, including the STTM, Wholesale Market, Capacity Transfer and Auction, and Retail Market procedures. There are, however, also some differences. For example:</p> <ul style="list-style-type: none"> ▪ ss 91DH(2) and 228A(2) provide that a person is not required to comply with the relevant Procedures to the extent of any inconsistency with an applicable access arrangement. Of the other provisions, only s 91MB(2) (Retail Market Procedures) has the same provision 	<p>To remove some of this duplication, two new standalone provisions could be created in Division 11 of Part 6 of Chapter 2 that could operate as follows:</p> <ol style="list-style-type: none"> 1 One provision could deal with compliance with the Wholesale Market Procedures, the STTM Procedures, the Capacity Transfer and Auction Procedures and the Retail Market Procedures and would align the following provisions so the same approach is taken for all Procedures: <ol style="list-style-type: none"> (a) remove all provisions that state that a person is not required to comply with the relevant Procedures to the extent of any inconsistency with an applicable access arrangement; and (b) provide in all cases for AEMO to publish its decision that a breach of Procedures is non-material on its website. 2 Another provision could deal with compliance with the GSOO and BB Procedures.

Item	Provisions	Observations	Potential changes to NGL to reduce duplication
		<ul style="list-style-type: none"> ▪ ss 91DH(3) and (4) and 228(3) and (4) provide that if AEMO has reason to believe that a person is not complying with the GSOO or BB Procedures, it may, by notice in writing, direct the person to comply with the Procedures, and the person must do so. The other provisions require AEMO to determine whether the breach is material or not, and then make separate provision for how material and non-material breaches are dealt with. These other provisions are identical, except that s 91BRQ(7) does not require AEMO to publish its decision that a breach of the Capacity Transfer and Auction Procedures is non-material on its website. 	<p>The following provisions could be deleted, and notes inserted in ss 91BM, 91BRI, 91BRP, 91DG, 91MA and 228 to the effect that compliance with the relevant Procedures is dealt with in the new standalone provisions:</p> <ul style="list-style-type: none"> ▪ s 91BN. ▪ s 91BRJ. ▪ s 91BRQ. ▪ proposed new s 91DH (in the draft Bill). ▪ s 91MB. ▪ s 228A.

Item	Provisions	Observations	Potential changes to NGL to reduce duplication
		<p>Sections 91DH(2) of the draft Bill mirrors section 228A(2) of the NGL, which states the following:</p> <p><i>“...if there is an inconsistency between an applicable access arrangement and the BB Procedures, a person is, to the extent of the inconsistency, not required to comply with the BB Procedures.”</i></p> <p>It is, however, unclear whether sub-section (2) is required in either section 228A or 91DH. Specifically, it is unclear in what circumstances there would be an inconsistency (rather than a mere overlap, for example in relation to forecasts) between a full regulation pipeline service provider’s access arrangement and either the Bulletin Board or GSOO Procedures, and if this should be a reason for the service provider not to comply with these procedures.</p> <p>We are therefore interested in obtaining stakeholders’ views on whether or not this sub-section should be retained in these two sections. If you think it should be retained, please outline the circumstances in which you think it would be likely to be operable and what the risks would be to removing this sub-section.</p>	