

GAS TRANSMISSION PIPELINE CAPACITY TRADING - CONSULTATION REGULATION IMPACT STATEMENT RELEASE

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ON 14 DECEMBER 2012, THE STANDING COUNCIL ON ENERGY AND RESOURCES (SCER) AGREED TO CONSIDER MORE BROADLY, IN CONSULTATION WITH STAKEHOLDERS, WHETHER FURTHER POLICY OPTIONS COULD FACILITATE INCREASED TRADE IN GAS TRANSMISSION PIPELINE CAPACITY IN THE EASTERN GAS MARKET.

OFFICIALS HAVE PREPARED A CONSULTATION REGULATION IMPACT STATEMENT EXAMINING PIPELINE CAPACITY TRADING AND WELCOME STAKEHOLDERS' SUBMISSIONS ON THIS ISSUE.

Natural gas is transported from production centres to demand centres via gas transmission pipelines. Gas transmission pipeline capacity is sold to market participants, usually under long-term contracts that underpin investment in pipeline construction. Pipeline capacity utilisation varies throughout the year, depending on factors including seasonal demand. Contracted, but unused, capacity can be traded by market participants. Industry consultations have identified that some stakeholders are interested in improving access to this unused pipeline capacity via a transparent, market-based mechanism.

Following SCER's decision to examine pipeline capacity trading, SCER requested its officials to consider this matter further through a Regulation Impact Statement (RIS) process.

Officials have since developed a consultation RIS that seeks stakeholders' views on current pipeline capacity trading activity and practices and whether any improvements could be made to facilitate increased trade in unused capacity.

The RIS process offers opportunities for all stakeholders to provide their views on this issue. Submissions on the RIS are now invited and should be provided to the SCER Secretariat by 5 p.m. (AEST) on Monday 15 July 2013.

All submissions will be made available from this website unless stakeholders have clearly indicated that a submission should remain confidential, either in whole or in part.

Electronic submissions are preferred and can be sent to: scer@ret.gov.au

Stakeholders who wish to provide hard copies by post may do so by addressing their submissions to:

Manager, SCER Secretariat
Department of Resources, Energy and Tourism
GPO Box 1564
Canberra ACT 2601

Following consideration of submissions, SCER will be presented with a decision RIS for its consideration prior to the end of 2013.

Please note the consultation RIS is for consultation purposes only, and does not represent the final views of SCER or the Commonwealth, state or territory governments.