

Australian Energy Market Commission

Re: Northern Gas Pipeline – Derogation from Part 23

AEMC Reference: GRC0047

Dear Commissioner,

Protect NT Inc is an independent group of Territorians dedicated to protecting the Northern Territory's land, water, climate and lifestyle, and currently has over 340 members throughout the NT. We are concerned that unconventional onshore shale gas extraction threatens all the things we are determined to protect and has been forced upon the majority of Territorians against our will<sup>1</sup>. It is imperative that the onshore gas industry, including pipelines, are held entirely to account in the Northern Territory and receive no special considerations or benefits, especially if these special considerations or benefits are to the detriment of the broader community.

We are writing to support the rule change request from Environmental Justice Australia (EJA) and the Institute for Energy Economics and Financial Analysis (IEEFA) seeking to remove an exemption in the National Gas Rules that applies to the Northern Gas Pipeline<sup>2</sup>.

We fully support the proposal by EJA and IEEFA<sup>3</sup>, which requests:

**“the revocation, in its entirety, of the derogation applicable to the Northern Gas Pipeline (NGP) contained in the National Gas Rules (NGR). At the date of this letter the current NGR is Version 38. The rule in question is numbered rule 3, Part 2, Schedule 4, on p 524 of the official Version 38. In this letter we define that rule as the NGP Derogation. ... We understand revocation is within AEMC’s power under s 74 of the National Gas Law (NGL).”**

The Jemena NGP is exempted from many of the rules and laws which usually apply to Australian gas pipelines due to the NGP Derogation. The NGP Derogation puts Jemena in a unique position of privilege not held by other pipelines by:

- removing the oversight of the Australian Energy Regulator (AER) (s 24 of the Access Principles).
- allowing Jemena to change the Access Principals without restriction on when, or how often, Jemena can change the principles (NGP Derogation s 3(1)(a)).

---

<sup>1</sup> NT Fracking Inquiry Final Report p.28 <https://frackinginquiry.nt.gov.au/inquiry-reports?a=494286>

<sup>2</sup> Northern Gas Pipeline – Derogation from Part 23 <https://www.aemc.gov.au/rule-changes/northern-gas-pipeline-derogation-part-23>

<sup>3</sup> Rule Change Proposal <https://www.aemc.gov.au/sites/default/files/2018-11/Rule%20change%20proposal%20-%20Environmental%20Justice%20Australia%20IEEFA.pdf>

- exempting the NGP from complying with disclosure principles that are designed to create an informed, and efficient market (Part 23 of the NGR).
- giving users or consumers little recourse due to the poor dispute arbitration processes in the Access Principles (Annexure 2).

Revoking the NGP Derogation will:

- put the Jemena NGP on a level playing field with other gas pipelines in Australia.
- prevent Jemena from engaging in unchecked and unreasonable monopoly pricing.
- provide the NGP with AER oversight.
- create consistency with the NGL.
- enable the National Gas Objective (NGO) in s 23 of the NGL to achieve its objective of promoting efficient investment, operation and use of natural gas services for the long-term interests of consumers with respect to security of supply, quality, safety and price of natural gas.

Protect NT Inc views the NGP Derogation as an instrument which unfairly benefits the Jemena NGP to the detriment of consumers, as it allows Jemena an unencumbered ability to set prices without any oversight by the AER, creating an unregulated monopoly pipeline. This is not an efficient operation of a natural gas service in the long-term interests of customers and can only be remedied by the removal of the NGP Derogation from the NGR.

Yours Sincerely,

Pauline Cass

CEO

Protect NT Incorporated

Email: [ProtectNT@gmail.com](mailto:ProtectNT@gmail.com)

Phone: [REDACTED]