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1 April 2019

Russell Pendlebury
Project Leader
Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235

Dear Mr Pendlebury

National Gas Amendment (NT Emergency Gas Supply Arrangements) Rule 2019

Thank you for the opportunity to make a submission regarding the above mentioned rule change request submitted by the Northern Territory Government.

The Australian Competition and Consumer Commission (**ACCC**) supports the submission made by the Australian Energy Regulator (**AER**), dated 22 March 2019 and the issues the AER has identified for further consideration.

A well-functioning gas market is characterised by efficiency in production, transportation, storage and use of gas. Efficiency at each stage of the supply chain requires timely and accurate information that is available to all market participants about:

- the availability and use of gas in the short- and long-term
- the availability and use of infrastructure services in the short- and long- term
- any potential problems with the supply-demand balance in the short- and long- term.

Although the two Northern Territory LNG projects are export-focused at this time, the ACCC notes that both projects can supply gas to the domestic market. In addition, the Ichthys LNG project may also receive gas from the domestic market. Given these potential interactions with the domestic market and the integral role the projects may play in an emergency, the ACCC suggests that careful consideration be given to the short and long- term impacts of the proposed exemption from the Bulletin Board reporting obligations on both the Northern Territory and eastern Australian gas markets.

The ACCC also suggests that careful consideration be given to the effect that such an exemption would have on the implementation of the Bulletin Board related transparency reforms that have recently been recommended by both the AEMC and the ACCC, in conjunction with the Gas Market Reform Group (**GMRG**). These include:

- the AEMC's recommendation that producers be required to report on their reserves and that LNG exporters be required to report on the operation of their facilities ('tranche 2 Bulletin Board reforms')
- the ACCC and GMRG's recommendation that producers be required to report on their reserves, resources and other upstream activities, and that LNG exporters be required to report on export shipments and the prices received for exports.¹

If you have any questions, please do not hesitate to contact Zoe van der Lee, A/g Director on (08) 8213 3466.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'N. Ross', is positioned above the typed name.

Nicole Ross
General Manager
Gas Unit

¹ ACCC and GMRG, Joint recommendations: Measures to improve the transparency of the gas market, December 2018.