

## Part 13 Greenfields Incentives

### Division 1 Preliminary

#### 120 Excluded infrastructure (Section 149 of the NGL)

For the purposes of Chapter 5 of the *NGL*, all tanks, reservoirs, machinery and equipment that form part of a pipeline are classified as excluded infrastructure.

#### 121 Pipeline description (Section 151(3) and section 160(2) of the NGL)

- (1) A pipeline description for a proposed transmission pipeline (including an international pipeline) for which a greenfields pipeline incentive is sought must contain the following information:
  - (a) the route of the pipeline; and
  - (b) the end points of the trunk of the pipeline (i.e. the points defining the extremities, where the trunk begins and ends); and
  - (c) if a lateral forms part of the pipeline – the point where the lateral interconnects with the trunk and the end point of the lateral; and
  - (d) the range of diameters for the principal pipes (including laterals).
- (2) A pipeline description for a proposed distribution pipeline for which a greenfields pipeline incentive is sought must contain the following information:
  - (a) the geographical area to be *served* by the pipeline; and
  - (b) the points at which natural gas is to be injected into the pipeline.

### Division 2 15-year no-coverage determinations

#### 122 Application for 15-year no-coverage determination (Section 151(3) of the NGL)

- (1) An application for a 15-year no-coverage determination must include, or be accompanied by, the following:
  - (a) the name and *contact details* of the applicant;
  - (b) a short description sufficient to identify the pipeline and its route together with a website address at which a map of the route, and a description, of the pipeline can be inspected;
  - (c) a statement of the basis on which the project for the construction of the pipeline is to be regarded as a greenfields pipeline project;

- (d) a statement of expenditure already made on the construction of the pipeline and an estimate of the expenditure yet to be made together with a statement of the basis on which the estimate has been made;
- (e) an estimate of the pipeline's capacity and an estimate of the extent to which the pipeline's capacity is likely to be utilised by the applicant or associates of the applicant;
- (f) a statement of the services to be provided by means of the proposed pipeline;
- (g) a statement of the locations to be *served* by the proposed pipeline and, in relation to each *downstream location*, a statement of other sources of natural gas available at the relevant location;
- (h) a statement of any existing pipelines, and any proposed pipelines of which the applicant is aware, that *serve* (or will *serve*) any of the same locations or that pass (or will pass) within 100 km of any of the same locations;
- (i) an estimate of the reserves of natural gas available at any *upstream location* to be *served* by the pipeline and an estimate of the rate of production from that location;
- (j) an estimate of expected demand at each *downstream location* to be *served* by the pipeline including for each location a description of the expected customer base and an indication of the revenue expected from each location;
- (k) the identity of all parties with an interest in the proposed pipeline and the nature and extent of each interest;
- (l) a description of the following relationships:
  - (i) any relationship between the owner, operator and controller of the pipeline (or any 2 of them);
  - (ii) any relationship between the owner, operator or controller of the pipeline and a user of pipeline services or a supplier or consumer of gas in any of the locations *served* by the pipeline;
  - (iii) any relationship between the owner, operator or controller of the pipeline and the owner, operator or controller of any other pipeline *serving* any one or more of the same locations; and
- (m) a statement of whether it would be feasible to expand the capacity of the pipeline and, if so, an explanation of how the capacity might be expanded and an estimate of the cost; and
- (n) an estimate of the annual cost to the service provider of regulation; and
- (o) any other information the applicant considers relevant, in the circumstances of the present case, to the application of the National Gas Objective or the pipeline coverage criteria; and

- (p) any other information or materials on which the applicant relies in support of its application.
- (2) Information in the nature of an estimate must be supplemented by a statement of the facts and assumptions on which the estimate is based.

**123 Recommendation on application for 15 year no-coverage determination (Sections 152 and 153 of the NGL)**

- (1) In deciding what recommendation it should make on an application for a 15-year no-coverage determination, the NCC must proceed in accordance with the *standard consultative procedure*.
- (2) The NCC must make a no-coverage recommendation within 4 months after receiving the application for a no-coverage determination.
- (3) The time limit fixed by subrule (2) cannot be extended by more than a further 2 months.
- (4) A no-coverage recommendation must:
  - (a) be in writing; and
  - (b) identify the pipeline to which the recommendation relates; and
  - (c) include a reference to a website at which a description of the pipeline can be inspected; and
  - (d) state the terms of the recommendation and the reasons for it; and
  - (e) if the pipeline is not an international pipeline – include the NCC's initial pipeline classification *decision* and the reasons for it.

**124 Relevant Minister's determination of the application (Section 156(5) of the NGL)**

- (1) A 15-year no-coverage determination, or a *decision* not to make such a determination, must –
  - (a) be in writing; and
  - (b) identify the pipeline to which the determination or *decision* relates; and
  - (c) include a reference to a website at which a description of the pipeline can be inspected; and
  - (d) state the terms of the determination or *decision* and the reasons for it.
- (2) The determination or *decision* must:

- (a) be given to the applicant, the NCC and the AEMC without delay; and
- (b) be published on the NCC's website.

## **Division 3            Price regulation exemptions**

### **125            Application for price regulation exemption (Section 160(2) of the NGL)**

- (1) An application for a price regulation exemption must include, or be accompanied by, the following:
  - (a) the name and *contact details* of the applicant;
  - (b) a short description sufficient to identify the international pipeline and its route together with a website address at which a map of the route, and a description, of the pipeline can be inspected;
  - (c) a statement of the basis on which the project for the construction of the pipeline is to be regarded as a greenfields pipeline project;
  - (d) a statement of the amount already expended on the construction of the pipeline and an estimate of the expenditure yet to be made together with a statement of the basis of the estimate;
  - (e) an estimate of the pipeline's capacity and an estimate of the extent to which the pipeline's capacity is likely to be utilised by the applicant or associates of the applicant;
  - (f) a statement of the services to be provided by means of the proposed pipeline;
  - (g) a statement of the locations to be *served* by the proposed pipeline and, in relation to each *downstream location*, a statement of other sources of natural gas available at the relevant location;
  - (h) a statement of any existing pipelines, and any proposed pipelines of which the applicant is aware, that *serve* (or will *serve*) any of the same locations or that pass (or will pass) within 100 km of any of the same locations;
  - (i) an estimate of the reserves of natural gas available at any *upstream location* to be *served* by the pipeline and an estimate of the rate of production from that location;
  - (j) an estimate of expected demand at each *downstream location* to be *served* by the pipeline including for each location a description of the expected customer base and an indication of the revenue expected from each location;
  - (k) the identity of all parties with an interest in the proposed pipeline and the nature and extent of each interest;

- (l) a description of the following relationships:
    - (i) the relationship between the owner and the operator (or proposed operator) of the pipeline;
    - (ii) any relationship between the owner or operator (or proposed operator) of the pipeline and a user of pipeline services or a supplier or consumer of gas in any of the locations *served* by the pipeline;
    - (iii) any relationship between the owner or operator (or proposed operator) of the pipeline and the owner or operator of any other pipeline *serving* any one or more the same locations;
  - (m) an estimate of the annual cost to the service provider of regulation (assuming regulation on the basis of a full access arrangement);
  - (n) any other information the applicant considers relevant, in the circumstances of the present case, to the application of the National Gas Objective or the criteria governing the making of a price regulation exemption;
  - (o) any other information or materials on which the applicant relies in support of its application.
- (2) Information in the nature of an estimate must be supplemented by a statement of the facts and assumptions on which the estimate is based.

## **126 How NCC deals with application for a price regulation exemption (Section 161 of the NGL)**

- (1) On receiving an application for a price regulation exemption, the NCC must:
  - (a) notify the Commonwealth Minister of the application; and
  - (b) publish notice of the application on its website and in a newspaper circulating generally throughout Australia.
- (2) The notice under subrule (1)(b) must:
  - (a) state the nature of the application; and
  - (b) identify the international pipeline to which the application relates; and
  - (c) include a reference to a website at which a description of the pipeline can be inspected; and
  - (d) invite submissions and comments within a specified period from the date of the notice.

## **127 NCC's recommendation (Section 162 of the NGL)**

- (1) The NCC must, within 30 business days after receiving an application for a price regulation exemption, make a recommendation on the application to the Commonwealth Minister.
- (2) The time limit fixed by subrule (1) cannot be extended.
- (3) The recommendation must:
  - (a) be in writing; and
  - (b) identify the pipeline to which the recommendation relates; and
  - (c) include a reference to a website at which a description of the pipeline can be inspected; and
  - (d) state the terms of the recommendation and the reasons for it.
- (4) As soon as practicable after delivering the recommendation to the Commonwealth Minister, the NCC must:
  - (a) give copies of the recommendation to:
    - (i) the applicant; and
    - (ii) the AEMC; and
    - (iii) the AER; and
  - (b) publish the recommendation on the NCC's website; and
  - (c) make copies of the recommendation available for inspection at the offices of the NCC during business hours.

## **128 Making of price regulation exemption (Section 164 of the NGL)**

- (1) A price regulation exemption, or a *decision* not to make a price regulation exemption, must:
  - (a) be in writing; and
  - (b) identify the pipeline to which the exemption or *decision* relates; and
  - (c) include a reference to a website at which a description of the pipeline can be inspected; and
  - (d) set out the Commonwealth Minister's reasons for the *decision* to grant, or not to grant, the exemption.
- (2) The exemption or *decision* must:

- (a) be given to the applicant, the NCC and the AEMC without delay; and
- (b) be published on the NCC's website.

## **Division 4            Limited access arrangement for international pipeline**

### **129        Limited access arrangement (or limited access arrangement proposal) for international pipeline to which price regulation exemption applies (Section 168 of the NGL)**

- (1) A limited access arrangement for an international pipeline to which a price regulation exemption applies must:
  - (a) identify the pipeline and include a reference to a website at which a description of the pipeline can be inspected; and
  - (b) describe the pipeline services the service provider proposes to offer to provide by means of the pipeline; and
  - (c) state the terms and conditions (other than price) for access to pipeline services likely to be sought by a significant part of the market; and
  - (d) set out the queuing requirements; and
  - (e) set out the capacity trading requirements; and
  - (f) set out the extension and expansion requirements; and
  - (g) state the terms and conditions for changing receipt and delivery points; and
  - (h) state the *expiry date* for the access arrangement.
- (2) The *access arrangement information* for the limited access arrangement must include the following:
  - (a) the pipeline's capacity and the nature and extent of expected utilisation; and
  - (b) the key performance indicators for the pipeline.
- (3) This rule extends to an *access arrangement proposal* consisting of a proposed limited access arrangement for an international pipeline to which a price regulation exemption applies.

**130 Decision on access arrangement proposal for limited access arrangement (or for variation of a limited access arrangement) for international pipeline to which a price regulation exemption applies**

- (1) A *decision* to approve, or not to approve, an *access arrangement proposal* for a limited access arrangement for an international pipeline to which a price regulation exemption applies, or for variation of such an access arrangement, must be made:
  - (a) in accordance with the *expedited consultation procedure*; and
  - (b) within 4 months after submission of the *access arrangement proposal* for the AER's approval.
- (2) If the AER, in its final *decision*, decides to approve the *limited access arrangement proposal*, the access arrangement or the variation to which the proposal relates takes effect on a date fixed in the final *decision* or, if no date is so fixed, 10 business days after the date of the final *decision*.
- (3) The time limit fixed by subrule (1)(b) cannot be extended by more than a further 2 months.