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Australian Energy Market Commission
PO Box A2249
Sydney South NSW 1235

RE: AEMC Draft Rule Determination, NT Emergency Gas Supply Arrangements, 23 May 2019

INPEX Operations Australia Pty Ltd (**INPEX**) welcomes the opportunity to provide a submission in response to the *Draft Rule Determination, NT Emergency Gas Supply Arrangements*, dated 23 May 2019 (**Draft Determination**). This submission should be read in conjunction with the INPEX's earlier submission to the AEMC Consultation Paper.

INPEX acknowledges that the Draft Determination addresses the key issue of securing NT emergency gas supply arrangements, through the provision of an exemption to NT LNG facilities in relation to Bulletin Board registration and reporting requirements under part 18 of the NGR.

However, the terms of the exemption outlined in 143A(5)(a), defining a BB application event, seems unduly restrictive:

(5) *For the purposes of subrule (4), BB application event means:*

(a) natural gas was withdrawn from the Wickham Point Pipeline through a WPP connection point for delivery to either the Ichthys LNG or Darwin LNG facilities on a gas day after the gas day that ends on 31 December 2019;

From INPEX's perspective, this definition will effectively disallow any flow of gas from PWC into the Ichthys LNG facility beyond 31 December 2019 notwithstanding physical or commercial arrangements in place. This limitation seems unjustified and unnecessary given the allowance for other facilities within the East Coast gas market to have capacity to withdraw up to 10 TJ/day without triggering the GBB registration and reporting requirements (in accordance with Part 18 of the NGR).



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INPEX proposes that the words "in excess of 10TJ per day" should be added to clause 143A(5)(a) following the words "natural gas", so that it would then read:

(5) For the purposes of subrule (4), BB application event means:

(a) natural gas in excess of 10 TJ per day was withdrawn from the Wickham Point Pipeline through a WPP connection point for delivery to either the Ichthys LNG or Darwin LNG facilities on a gas day after the gas day that ends on 31 December 2019;

Whilst the primary purpose of the lateral pipeline connection between the Ichthys LNG facility and the Wickham Point Pipeline beyond December 2019 is for the provision of emergency gas supply to PWC, there will be times when there is mutual benefit in having gas import to the Ichthys LNG facility. Such benefit would not be sufficient to overcome the burden of GBB reporting obligations but should not be denied if otherwise consistent with the application of the NGR.

If required, a permanent modification to existing facilities could be applied to restrict the maximum import gas flowrate from the Wickham Point Pipeline to the Ichthys LNG facility to 10TJ per day capacity. INPEX has identified a potential modification capable of being implemented, without affecting the capacity of the gas export for the provision of emergency gas supply to PWC.

Should you have any questions, please do not hesitate to contact Cameron McPhie at cameron.mcphie@inpe.com.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Bill Townsend", written over a light blue horizontal line.

Bill Townsend
Deputy Vice President, Corporate Coordination