

National Gas Rules

Group D (Transitional provisions)

This document shows changes to the relevant parts of the National Gas Rules (NGR) made by the AEMC's recommended final rules under its final rules report on the Review into extending the regulatory frameworks to hydrogen and renewable gases. The changes are shown in a modified version of the NGR that incorporates:

- all changes made to the NGR as at 24 November 2022 including rules that have been made as at 24 November 2022 but have not yet commenced; and
- changes made by the consultation versions of the rules for Regulatory Sandboxing and Pipeline Regulations. These consultation versions are available on the Energy Ministers' website: Energy Ministers publications | energy.gov.au

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Schedule 6 Transitional provisions for the introduction of the other gas amendments

Part 1 Ring fencing transitional provisions – general

1 Definition

In this Part:

amending rule means the *National Gas Amendment (Other gases) Rule* made under section 294FC of the *NGL*.

commencement date means the date of commencement of the amending rule.

new rule 32 means rule 32 on and from the commencement date.

new rule 35D means rule 35D on and from the commencement date.

new rule 35E and subrule 133(4)(i) means rule 35E and subrule 133(4)(i) on and from the commencement date.

old rule 32 means rule 32 before the commencement date.

2 Approval of associate contracts (Rule 32)

New rule 32 does not apply in respect of an associate contract or variation to an associate contract in respect of which a service provider has made an application under old rule 32.

3 Ring fencing decision guide (Rule 35D)

The AER must publish the ring fencing decision guide under new rule 35D within 8 months after the commencement day.

4 Publication of ring fencing decisions (Rule 35E and Rule 133(4)(i))

New rule 35E and subrule 133(4)(i) do not apply to ring fencing decisions made before the commencement date.

Part 2 Ring fencing transitional provisions - trial projects

1 Definition

In this Part:

commencement date means the date on which the [*National Gas Amendment (Other gases) Act 2022*] comes into operation.

designated entity means an entity specified in column 1 of the table in subrule 2(3).

designated trial project means a project described in column 2 of the table in subrule 2(3).

marketing staff has the meaning given in section 137 of the *NGL*.

prescribed requirement means, in relation to a designated trial project, the minimum ring fencing requirements specified in column 3 of the table in subrule 2(3).

related business has the meaning given in section 137 of the *NGL*.

transition period means the period from the commencement date to the earlier of the date the trial ends and 30 November 2026.

2 Exemption from minimum ring fencing requirements

- (1) As at the commencement date, a designated entity will be taken to have been granted an exemption under rule 34 from a prescribed requirement in relation to a designated trial project for the transition period.
- (2) The deemed exemption under subrule (1) is taken to be subject to conditions that the designated entity:
 - (a) establishes internal controls within the designated entity’s business that substantially replicate the controls that would apply to associate contracts if the related business referred to in column 3 of the table in subrule (3) was carried on by an associate of the designated entity and sections 147 and 148 of the *NGL* applied;
 - (b) provides details of the internal controls referred to in paragraph (a) to the AER;
 - (c) prepare, maintain and keep separate accounts in respect of the services provided by the designated entity by means of the trial project; and
 - (d) provide the following information to the AER annually:
 - (i) the accounts referred to in paragraph (c); and
 - (ii) the methodology used by the designated entity to allocate costs to the designated trial project.
- (3) A designated entity must first comply with the conditions specified in:
 - (a) paragraphs (a) to (c) of subrule (2), within 3 months after the commencement date; and
 - (b) paragraph (d) of subrule (2), within 15 months after the commencement date.
- (4) Designated entities, designated trial projects and the prescribed requirements are set out in the table in this subrule.

	Column 1	Column 2	Column 3
	Designated entity	Designated trial project	Prescribed requirement
1	ATCO Gas Australia Pty Ltd	The Clean Energy Innovation Hub (CEIH), Hydrogen	<ul style="list-style-type: none"> • Carrying on a related business of producing,

	Column 1	Column 2	Column 3
	Designated entity	Designated trial project	Prescribed requirement
	(ACN 089 531 975)	<p>Refueller Station and hydrogen blending project located at 81 Prinsep Road, Jandakot, Western Australia.</p> <p>The CEIH is a demonstration project opened in 2019 to showcase a microgrid set up using 1001 solar panels with battery storage using excess renewable electricity to produce renewable hydrogen by electrolysis.</p> <p>Hydrogen produced by the CEIH is used for the Hydrogen Refueller Station and Hydrogen blending project.</p> <p>The Hydrogen Refueller Station Project involves using the production of renewable hydrogen from the CEIH to supply an initial fleet of 15 vehicles for the designated entity specified in column 1 and its development partner Fortescue Metals Group.</p> <p>The Hydrogen blending project will blend renewable hydrogen produced from the CEIH with natural gas and inject the gas blend at 81 Prinsep Road Jandakot, Western Australia into a subsection of the natural gas distribution network serving approximately 2700 residential and small commercial gas customers. The blending limit for hydrogen in the gas blend is 10% hydrogen.</p>	<p>purchasing and selling hydrogen and providing blend processing services (section 139 of the <i>NGL</i>)</p> <ul style="list-style-type: none"> Marketing staff taking part in a related business of producing, purchasing and selling hydrogen and providing blend processing services (section 140 of the <i>NGL</i>)
2	Australian Gas Networks Limited (ACN 078 551 685)	Hydrogen Park South Australia (HyP SA). Renewable hydrogen production blending project located at Tonsley Innovation District, Adelaide, South Australia.	<ul style="list-style-type: none"> Carrying on a related business of producing, purchasing and selling hydrogen and providing blend processing services (section 139 of the <i>NGL</i>)

	Column 1	Column 2	Column 3
	Designated entity	Designated trial project	Prescribed requirement
3	Australian Gas Networks Limited (ACN 078 551 685)	<p>The HyP SA project demonstrates renewable hydrogen production (using a 1.25MW electrolyser) and blending technology in an Australian context and delivers a gas blend comprised of 5% hydrogen supplied to nearby homes via the existing gas distribution network. The project also supplies to industry via tube trailers (long storage tubes on the back of semi-trailers).</p> <p>Hydrogen Park Gladstone (HyP Gladstone). Renewable hydrogen production and blending project located at the corner of Derby and Lyons Streets, Gladstone.</p> <p>The HyP Gladstone project is a \$4.2 million renewable hydrogen production facility using an electrolyser capable of making 20kg of renewable hydrogen per day. It is intended to supply a gas blend comprising up to 10% hydrogen to the Gladstone network of around 770 properties.</p>	<ul style="list-style-type: none"> Marketing staff taking part in a related business of producing, purchasing and selling hydrogen and providing blend processing services (section 140 of the <i>NGL</i>) Carrying on a related business of producing, purchasing and selling hydrogen and providing blend processing services (section 139 of the <i>NGL</i>) Marketing staff taking part in a related business of producing, purchasing and selling hydrogen and providing blend processing services (section 140 of the <i>NGL</i>)
4	Jemena Gas Networks (NSW) Ltd (ACN 003 004 322)	<p>Western Sydney Green Gas Project is the section of Jemena Gas Networks (NSW) Limited’s pipeline located at the Horsley Park high pressure gas facility which produces hydrogen for sale, storage or injection into the downstream section of the pipeline. The electrolyser used in the project is able to generate enough hydrogen to power about 250 homes.</p>	<ul style="list-style-type: none"> Carrying on a related business of producing, purchasing and selling hydrogen and providing blend processing services (section 139 of the <i>NGL</i>) Marketing staff taking part in a related business of producing, purchasing and selling hydrogen and providing blend processing services (section 140 of the <i>NGL</i>)

- (5) For the avoidance of doubt, nothing in this Part is to be taken to mean that the carrying on of a related business referred to in column 3 of the table in subrule (2) is the provision of a pipeline service.

Part 3 Pipeline regulation transitional provisions

1 Definition

- (1) In this Part:

amending rule means the *National Gas Amendment (Other gases) Rule* made under section 294FC of the *NGL*.

commencement date means the date of commencement of the amending rule.

new subrule 48(g1) means subrule 48(1)(g1) on and from the commencement date.

new rule 82 means rule 82 on and from the commencement date.

2 Supplier curtailment methodology

New subrule 48(1)(g1) does not:

- (1) apply to an access arrangement for which the AER has made an access arrangement draft decision under rule 59 before the commencement date.
- (2) require a service provider to seek a variation of its access arrangement during an *access arrangement period* that commenced prior to the commencement date.

3 Capital contributions to new capital expenditure

New rule 82 does not apply to an access arrangement for which the AER has made an access arrangement draft *decision* under rule 59 before the commencement date.

Part 4 Transitional arrangements relating to Part 15D (the GSOO)

1 Definitions

- (1) In this Part:

amending rule means the *National Gas Amendment (Other Gases) Rule* made under section 294FC of the *NGL*.

Part 15D amendments effective date means the date of commencement of the schedule of the amending rule that amends Part 15D of the Rules.

new Part 15D means Part 15D as will be in force immediately after the Part 15D amendments effective date.

- (2) Unless modified or otherwise defined under this Part, terms used in this Part have the same meaning as in new Part 15D.

2 AEMO Procedures

- (1) By no later than the Part 15D amendments effective date, AEMO must in accordance with Part 15B review, and where necessary, amend and publish the GSOO Procedures to take into account the amending rule.
- (2) The amendments to the GSOO Procedures referred to in subrule (1) must take effect on and from the Part 15D amendments effective date or a later date determined by AEMO.
- (3) For the purposes of Part 15B, information and notices published by AEMO and consultation undertaken by AEMO in relation to proposed amendments to the GSOO Procedures in accordance with subrule (1) before the Part 15D amendments effective date are taken to satisfy the requirements for publication and consultation under rules 135EE, 135EF or 135EG, if and to the extent that publication and consultation would have satisfied those requirements if it had been conducted after that date.

Part 5 Transitional arrangements relating to Part 18 (the Gas Bulletin Board)

1 Definitions

- (1) In this Part:
 - amending rule** means the *National Gas Amendment (Other Gases) Rule* made under section 294FC of the *NGL*.
 - existing facility development project** means a facility development project within the meaning of old Part 18.
 - existing BB facility** means a BB facility within the meaning of old Part 18.
 - old Part 18** means Part 18 as in force immediately before the Part 18 amendments effective date.
 - Part 18 amendments effective date** means the date of commencement of the schedule of the amending rule that amends rule 135B and Part 18 of the Rules.
 - new facility development project** means a facility development project within the meaning of new Part 18, other than an existing facility development project.
 - new Part 18** means Part 18 as will be in force immediately after the Part 18 amendments effective date.
 - new Part 18 facility** means a BB facility within the meaning of new Part 18, other than an existing BB facility.
- (2) Unless modified or otherwise defined under this Part, terms used in this Part have the same meaning as in new Part 18.

2 AEMO Procedures

- (1) By no later than the Part 18 amendments effective date, AEMO must in accordance with Part 15B review, and where necessary, amend and publish the BB Procedures to take into account the amending rule.
- (2) The amendments to the BB Procedures referred to in subrule (1) must take effect on and from the Part 18 amendments effective date.
- (3) For the purposes of Part 15B, information and notices published by AEMO and consultation undertaken by AEMO in relation to proposed amendments to the BB Procedures in accordance with subrule (1) before the Part 18 amendments effective date are taken to satisfy the requirements for publication and consultation under rules 135EE, 135EF or 135EG, if and to the extent that publication and consultation would have satisfied those requirements if it had been conducted after that date.

3 Registration for new Part 18 facilities and new facility development projects

- (1) Subrule (2) applies to a person required to register under:
 - (a) rule 150 of new Part 18 in respect of a new Part 18 facility that was commissioned on or before the Part 18 amendments effective date; or
 - (b) rule 152 in respect of a new facility development project that satisfies the definition of facility development project in subrule 141(1) of new Part 18 on the Part 18 amendments effective date.
- (2) Subject to any applicable exemption from registration under new Part 18, a person mentioned in subrule (1) must apply to AEMO to register under new Part 18 as the BB reporting entity for the relevant new Part 18 facility or new facility development project no later than 20 business days after the Part 18 amendments effective date.

Note

The AEMC proposes to recommend that this subrule be classified as a tier 1 civil penalty provision under the National Gas (South Australia) Regulations. (See clause 6 and Schedule 3 of the National Gas (South Australia) Regulations.)

Part 6 Transitional arrangements relating to Part 18A

1 Definitions

- (1) In this Part:

amending rule means the *National Gas Amendment (Other Gases) Rule* made under section 294FC of the *NGL*.

Part 18A amendments effective date means the date of commencement of the schedule of the amending rule that amends Part 18A of the Rules.

new Part 18A means Part 18A as will be in force immediately after the Part 18A amendments effective date.
- (2) Unless modified or otherwise defined under this Part, terms used in this Part have the same meaning as in new Part 18A.

2 AER price reporting guidelines

By no later than the Part 18A amendments effective date, the AER must review, and where necessary, amend and publish the price reporting guidelines under rule 198H to take into account the amending rule.

3 Publication of standard terms and actual prices paid

- (1) Despite anything in new Part 18A, for a blend processing facility commissioned on or before the Part 18A amendments effective date, the application date is the Part 18A amendments effective date.

Note

The application date is used in rule 198E(2) of new Part 18A to determine the date of first publication of the information referred to in rule 198E(1) of new Part 18A.

- (2) Despite anything in new Part 18A, for a blend processing facility commissioned on or before the Part 18A amendments effective date, the requirement to publish actual prices payable information only applies in relation to a contract:
 - (a) that is in force immediately before the Part 18A amendments effective date; or
 - (b) that is entered into on or after the Part 18A amendments effective date.

Part 7 Transitional arrangements relating to Part 19 (including the VGPR)

1 Definitions

- (1) In this Part:

amending rule means the *National Gas Amendment (Other Gases) Rule* made under section 294FC of the *NGL*.

Part 19 amendments effective date means the date of commencement of the schedule of the amending rule that amends Part 19 and subrule 135A(1) of the Rules.

new Part 19 means Part 19 as will be in force immediately after the Part 19 amendments effective date.

- (2) Unless modified or otherwise defined under this Part, terms used in this Part have the same meaning as in new Part 19.

2 Wholesale Market Procedures

- (1) By no later than 3 months before the Part 19 amendments effective date, AEMO must in accordance with Part 15B review, and where necessary, amend and publish the Wholesale Market Procedures to take into account the amending rule.
- (2) The amendments to the Wholesale Market Procedures referred to in subrule (1) must take effect on and from the Part 19 amendments effective date.

- (3) For the purposes of Part 15B, information and notices published by AEMO and consultation undertaken by AEMO in relation to proposed amendments to the Wholesale Market Procedures in accordance with subrule (1) before the Part 20 amendments effective date are taken to satisfy the requirements for publication and consultation under rules 135EE, 135EF or 135EG, if and to the extent that publication and consultation would have satisfied those requirements if it had been conducted after that date.

Part 8 Transitional arrangements relating to Part 20

1 Definitions

- (1) In this Part:
 - amending rule** means the *National Gas Amendment (Other Gases) Rule* made under section 294FC of the *NGL*.
 - Part 20 amendments effective date** means the date of commencement of the schedule of the amending rule that amends Part 20 of the Rules.
 - new Part 20** means Part 20 as will be in force immediately after the Part 20 amendments effective date.
- (2) Unless modified or otherwise defined under this Part, terms used in this Part have the same meaning as in new Part 20.

2 STTM Procedures

- (1) By no later than 3 months before the Part 20 amendments effective date, AEMO must in accordance with Part 15B review, and where necessary, amend and publish the STTM Procedures to take into account the amending rule.
- (2) The amendments to the STTM Procedures referred to in subrule (1) must take effect on and from the Part 20 amendments effective date.
- (3) For the purposes of Part 15B, information and notices published by AEMO and consultation undertaken by AEMO in relation to proposed amendments to the STTM Procedures in accordance with subrule (1) before the Part 20 amendments effective date are taken to satisfy the requirements for publication and consultation under rules 135EE, 135EF or 135EG, if and to the extent that publication and consultation would have satisfied those requirements if it had been conducted after that date.