

Better integration of gas in the ISP – draft rule determination

APA Submission

7 November 2024



Ms Anna Collyer
Chair
Australian Energy Market Commission
Level 15, 60 Castlereagh St
SYDNEY NSW 2000

Lodged online

7 November 2024

RE: APA Submission to Better Integration of gas and community sentiment into the Integrated System Plan Draft Determination

Dear Ms Collyer,

Thank you for the opportunity to provide a submission to the AEMC's Better integration of gas and community sentiment into the Integrated System Plan (ISP) draft rule determination (Draft Determination). We appreciate the AEMC's ongoing and proactive engagement regarding this rule change.

APA is an Australian Securities Exchange (ASX) listed owner, operator, and developer of energy infrastructure assets across Australia. Through a diverse portfolio of assets, we provide energy to customers in every state and territory. As well as an extensive network of gas pipelines, we own or have interests in gas storage and generation facilities, electricity transmission networks, renewable generation infrastructure and battery storage.

We support the transition to a lower carbon future. In September 2024, we published our FY24 Climate Report, detailing our progress against our Climate Transition Plan, which outlines our commitments to support Australia's energy transition and pathway to net zero operations emissions by 2050.

In the east coast gas market, customer needs drive the amount, location and type of investment that takes place. This ensures that only prudent investment is undertaken and results in the efficient allocation of risk between parties.

We support the AEMC's position, as outlined in the Draft Determination, that it does not intend on altering the existing market arrangements for gas infrastructure.¹ These arrangements have supported the efficient and timely expansion of existing infrastructure and ensured that gas is delivered where and when it is needed.

We also support the core purpose of the draft rules, as outlined in the Draft Determination, to provide a more comprehensive analysis of gas within the ISP to inform electricity investment.² For this reason, we support AEMO utilising information collected under the National Gas Rules and aligning the ISP with the Gas Statement of Opportunities, Victorian Gas Planning Report and Gas Bulletin Board where appropriate.

¹ AEMC, *Better Integrating gas in the ISP*, Draft Determination, p15,

² AEMC, *Better Integrating gas in the ISP*, Draft Determination, p14

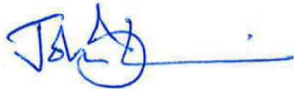
This approach will help clarify the important role that gas will play in the energy transition and reduce the disparity that currently exists between some of these information sources.

Where there are differences in gas information that is published by AEMO, the draft rule requires AEMO to outline why any differences exist. We support this approach, as this will help reduce information asymmetry between stakeholders.

The Draft Determination also proposes that AEMO be authorised to use gas market information collected under the National Gas Rules for the purposes of performing its ISP analysis.³ We agree with the AEMC that this aligns with good regulatory practice, as the provision of information to regulators and market bodies is a significant cost and administrative burden on industry. Maintaining the confidentiality of commercially sensitive information is essential to support the efficient functioning of gas markets.

If you have any questions about our submission, please contact me on 0435 898 022 or john.skinner2@apa.com.au

Regards,



John Skinner
Senior Policy Manager
Strategy and Corporate Development

³ AEMC, *Better Integrating gas in the ISP*, Draft Determination, p16