



17 April 2025

Our Reference: APLNG – COR – 1052289

Nomiky Panayiotakis  
Project Leader (GRC0074)  
Australian Energy Market Commission  
Level 15, 60 Castlereagh Street  
Sydney NSW 2000

By electronic lodgement: [www.aemc.gov.au/contact-us/lodge-submission](http://www.aemc.gov.au/contact-us/lodge-submission)

Dear Ms Panayiotakis

Australia Pacific LNG Pty Limited (APLNG) welcomes the opportunity to contribute to the Australian Energy Market Commission's (AEMC) consultation process on the '*ECGS notice of closure for gas infrastructure*' rule change request.

APLNG is an incorporated company and one of the largest producers of natural gas in eastern Australia, delivering a reliable energy source to customers in Australia and Asia. We are the largest net contributor of gas supply to Australia's domestic east coast gas market, providing over 2,100 PJ of gas into the domestic market since the project was sanctioned.

APLNG does not support the proponent's proposal to amend the National Gas Rules to increase market participants' mandatory reporting requirements. This is because market participants are currently required to provide the Australian Energy Market Operator (AEMO) information about the closure of gas supply and delivery infrastructure in response to certain Gas Bulletin Board (GBB) reporting requirements and the Gas Statement of Opportunities (GSOO). The issue, therefore, is not a lack of information being provided, but of clear guidelines on how that information is disseminated by AEMO to provide adequate, advanced notice to the market and other stakeholders of permanent facility closures.

If the AEMC determines that additional reporting requirements are needed to capture closure information 36-months in advance, a fit-for-purpose approach would be to extend existing annual reporting obligations via the GSOO or adopt a 'by exception' update. APLNG notes that the proponent's preferred option to report via the GBB on a weekly basis would increase market participants' regulatory burden and lead to higher implementation costs related to process and/or system changes. This follows a concerning trend of duplicating mandatory reporting obligations without regard for the cumulative regulatory burden imposed on market participants from recent reforms including the Gas Transparency Measures, Stage 1 East Coast Gas System reforms, Gas Market Code, Wholesale Market Monitoring and gas pipeline reforms.

Thank you for considering our submission. We look forward to engaging further with the AEMC on this important matter. Should you have any queries relating to this submission, please contact Kieran Olsen, Compliance Manager, on 07 3021 3347 or via email at [compliance@aplng.com.au](mailto:compliance@aplng.com.au)

Yours sincerely

A handwritten signature in black ink, appearing to read 'Manda Goodwin', with a long horizontal flourish extending to the right.

**Manda Goodwin**  
General Manager Commercial  
Australia Pacific LNG Pty Limited

ECGS Notice of closure for gas infrastructure

STAKEHOLDER FEEDBACK TEMPLATE

SUBMITTER DETAILS

ORGANISATION:	Australia Pacific LNG Pty Ltd
CONTACT NAME:	Kieran Olsen, Compliance Manager
EMAIL:	compliance@aplng.com.au
PHONE:	07 3021 3347
DATE	17 April 2025

PROJECT DETAILS

NAME OF RULE CHANGE:	ECGS Notice of closure for gas infrastructure
PROJECT CODE:	GRC0074
PROPONENT:	Energy Senior Officials on behalf of the Energy Ministers’ Sub-Group
SUBMISSION DUE DATE:	17 April 2025

<p>Question 1: Do you agree that not having sufficient advance notice of the closure of gas supply and delivery infrastructure could have a material impact on the reliability of supply of the ECGS?</p>	<p>While Australia Pacific LNG Pty Limited (APLNG) agrees that providing sufficient notice for the closure of gas supply and delivery infrastructure is important to minimise reliability and supply adequacy risks, we believe adequate information is already provided to the Australian Energy Market Operator (AEMO) under existing reporting frameworks to gain insights into upcoming closures. Additionally, this type of information is likely to be publicly released by the relevant companies.</p> <p>We therefore urge the Australian Energy Market Commission (AEMC) to explore how information currently collected is best disseminated before it seeks to unduly burden industry with additional information disclosure requirements. This could be achieved by making minor amendments to the existing framework to require AEMO to communicate closure updates based on the information it already receives.</p> <p>If the AEMC determines that additional information disclosure requirements are needed to address the proponent's concerns, APLNG prefers Option 1 as it places the least regulatory burden on market participants. Option 2 would require more regular reporting and more significant system and/or process changes. If Option 2 is implemented, the closure information should only be required when there is updated information available.</p> <p>Further, the selected option needs to recognise that expected closure dates may change from year-to-year based on various assumptions pertaining to prices, well productivity, costs and current market conditions.</p>
<p>Question 2: Do you agree that current requirements for updates of closures are unlikely to provide market participants sufficient notice to make informed and efficient decisions on how to respond to the reliability and supply adequacy risks associated with such closures?</p>	<p>Refer to our response to Question 1.</p> <p>APLNG considers that the current requirements already provide sufficient notice for market participants to make informed and efficient decisions, and a change is not required.</p>
<p><u>Proposed solution and implementation considerations</u></p> <p>Question 3: Do you agree with the proposed benefits of an advanced notice of closure requirement? Why/why not?</p> <p>Question 4: Do you agree with the proposed scope of the advanced notice of closure requirement? Why/why not?</p> <p>Question 5: Do you think any of the design elements of the NEM notice of closure requirements should be adapted and applied to a gas notice of closure requirement?</p>	<p>APLNG does not consider the proposed rule change to be an efficient or appropriate mechanism to achieve the proponent's desired outcome. Please refer to our responses to Question 6 to 8 below for further detail.</p>

The proponent's preferred approach

Question 6: What are your views on the expected costs and benefits of the proposed three options? Do you agree that option two (the proponent's preferred approach) is the best solution to address the issue raised by the proponent? Why/why not?

Question 7: Do you agree that 36 months is the correct amount of time to provide an advanced notice? Why/why not?

Question 8: Do you consider any variation or alternative to the proposed solution could solve the issue raised by the proponent?

APLNG considers that market participants already have an obligation under existing reporting frameworks to provide AEMO with information about significant changes to supply such as the planned closure of gas supply and delivery infrastructure. Therefore, instead of adopting the options identified by the proponent, we believe minor amendments should be made to AEMO's Procedures to require AEMO to communicate this information to market participants and other interested stakeholders. These communications could occur via the Gas Statement of Opportunities (GSOO) and/or other market updates (if it is deemed that the information needs to be conveyed in a timelier manner).

**Existing reporting frameworks**

APLNG currently provides a range of actual and forecast planning and infrastructure information to AEMO under the GSOO and the Gas Bulletin Board (GBB) that can be used to gather insights into upcoming permanent closures of gas supply and delivery infrastructure.

Under the GSOO, we annually provide a 10 to 20-year view of our production forecast information, as well as information relating to our gas infrastructure. Where we plan to permanently close gas supply and delivery infrastructure that would impact on the supply of gas to meet forecast east coast gas demand, APLNG considers that we would be required to provide this information to AEMO in our GSOO response.

APLNG also prepares and submits detailed information and timely updates for our gas supply and delivery infrastructure via GBB reporting. Specifically, we provide AEMO with a 24-month outlook of the following information under rule 181 of the National Gas Rules (NGR) on a weekly basis:

- The expected start and end dates of the matters expected to affect the daily capacity of the reportable facility.
- A description of the matters expected to affect the daily capacity of the reportable facility.
- The expected daily capacity of the reportable facility during the period it is affected.

Where APLNG plans to permanently close a BB facility, APLNG considers that we would be required to provide the relevant details of that permanent closure under this rule and in accordance with AEMO's BB Data Submission Guide.

In addition, APLNG provides AEMO the following information under rule 168 of the NGR:

- r168(1)(a)—the nameplate rating of the reportable supply and delivery infrastructure
- r168(1)(b)—information about any planned permanent capacity reduction due to modification of the BB facility, the nameplate rating that is expected to result and the time the modification is expected to take effect
- r168(2A)—the nameplate rating for each receipt and delivery point on the reportable pipeline.

This information must be provided to AEMO on registration, annually<sup>1</sup> and where there is a material change to the nameplate rating or otherwise if the information is no longer accurate.<sup>2</sup>

Where APLNG foresees a permanent nameplate capacity reduction due to a full closure, we consider that we would be required to provide an update to the nameplate capacity and a description of the material factors impacting the capacity number under this rule and in accordance with AEMO's BB Data Submission Guide.

#### **AEMO functions and powers**

AEMO has remit under the National Gas Law (NGL) and the NGR to publish information about the closure of gas supply and delivery infrastructure. Specifically:

- Section 91D(2) of the NGL provides for an assessment of likely long term production or transmission constraints to be included in the GSOO.
- Rule 135KC of the NGR requires AEMO to annually publish the GSOO.
- Rule 135KD of the NGR requires AEMO to update the GSOO intra-year if significant and verifiable new information is brought to its attention.
- Rule 135KH of the NGR allows AEMO to use information provided to it in connection with a GSOO survey to prepare, review, revise or publish the GSOO.
- Section 91AD(1)(d) of the NGL gives AEMO the power to publish information relating to the reliability or supply adequacy of covered gas within the ECGS.

If further clarity is needed on AEMO's remit to publish information it already receives on planned closures, a simple and cost-effective way of achieving this would be to amend the GSOO Procedures and/or the ECGS Procedures.

	Finally, we note the GSOO Procedures allow AEMO to request any significant updates it considers necessary.
<p><u>Making our decision</u></p> <p>Question 9:</p> <p>a) Do you agree with the proposed key assessment criteria?</p> <p>b) Are there additional criteria that the Commission should consider, or criteria included here that are not relevant?</p>	<p>APLNG notes that the rule change request as envisaged by the proponent would seek to have BB reporting entities provide a weekly update on information that they already largely provide to AEMO under mandatory GSOO and GBB reporting obligations. The cumulative reporting burden placed on market participants from recent reforms including the Gas Transparency Measures, Gas Market Code and Wholesale Market Monitoring highlights a concerning trend of requiring duplicative reporting without regard as to whether the information sought is fit for purpose or unduly burdensome. We request the AEMC consider the regulatory burden imposed on market participants when it assesses the rule change request.</p>

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<sup>1</sup> Rule 168(3)(a) and (b) of the NGR

<sup>2</sup> Rule 168(4) of the NGR