

8 May 2025



Our Reference:

Stuart Norgrove
Project Leader (GRC0080)
Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

By electronic lodgement: www.aemc.gov.au/contact-us/lodge-submission

Dear Mr Norgrove

Australia Pacific LNG Pty Limited (APLNG) welcomes the opportunity to contribute to the Australian Energy Market Commission's (AEMC) consultation process on the *'ECGS Projected Assessment of System Adequacy'* rule change request.

APLNG is one of the largest producers of natural gas in eastern Australia. We are the largest net contributor of gas supply to Australia's domestic east coast gas market, providing over 2,150 PJ of gas into the domestic market since project sanction.

Whilst APLNG is supportive of providing market participants with access to assessments of reliability and adequacy of supply, **we do not support amendment of the National Gas Rules to increase market participants' mandatory reporting requirements** to provide for the short-term (ST) and medium-term (MT) projected system of adequacy (PASA).

Market participants are already required to provide a significant volume of data to various government agencies for a variety of purposes. Data requests are bespoke and require a significant investment of time to ensure high quality and reliable data is provided within the short time frames requested by the agencies.

Extending mandatory data collection under the proposed rule change request continues a concerning trend of duplicative government reporting obligations and threatens to disadvantage APLNG by revealing commercially sensitive information.

The attached stakeholder feedback template provides detail on APLNG's alternative design options and solutions with respect to the proponent's proposed measures. To summarise, **we consider data that is currently collected across multiple government bodies in conjunction with the existing analysis undertaken as part of the quarterly ADGSM assessments is sufficient to deliver a rolling 7-day outlook for the ST PASA and to achieve the functions set out by the MT PASA.**

We look forward to engaging further with the AEMC on these important matters. 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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Manda Goodwin', is written over a light blue horizontal line.

Manda Goodwin
General Manager Commercial
Australia Pacific LNG Pty Limited

ECGS Projected Assessment of System Adequacy

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	8 May 2025

PROJECT DETAILS

NAME OF RULE CHANGE:	ECGS Projected Assessment of System Adequacy
PROJECT CODE:	GRC0080
PROPONENT:	Energy Senior Officials on behalf of the Energy Ministers' Sub-Group
SUBMISSION DUE DATE:	8 May 2025

<p>Question 1: Is there enough quality information covering the intra-year period to support decision-making by ECGS participants, AEMO and policymakers?</p> <p>Do you agree that there is insufficient information for the intra-year period to support optimal decision making by ECGS participants, AEMO and policymakers?</p> <p>Does this apply over the short term (about seven days) and/or long term (about 12 months).</p> <p>If so, how is your decision-making impacted by insufficient information?</p> <p>If not, why not?</p>	<p>Australia Pacific LNG Pty Limited (APLNG) considers that adequate information is already provided to the Australian Energy Market Operator (AEMO) under existing reporting frameworks to achieve the objectives of a short term and medium term PASA.</p> <p>We currently provide the following information to AEMO, the AER and the ACCC:</p> <ul style="list-style-type: none"> • short-term and medium-term demand and production forecasts provided under ACCC Gas Inquiry 2017-30 Interim Report (the Gas Inquiry); • supply and forecast demand over a 20-year outlook period under the Gas Statement of Opportunities (GSOO); • information collected under the AER Pipeline Information Disclosure Guidelines; • information collected by AEMO under Part 18 of the National Gas Rules for the Gas Bulletin Board (BB); and. • information collected by AEMO under Part 27 of the National Gas Rules. <p>The information provided above, in addition to information collected by AEMO to produce the DWGM and STTM reports, existing analysis undertaken as part of the quarterly ADGSM assessments in conjunction with the National Electricity Market (NEM) PASA reports are sufficient to achieve the objectives of the PASA proposal.</p> <p>We urge the Australian Energy Market Commission (AEMC) to explore how information that is already being collected can be used to inform the proposed gas PASA reports instead of seeking to burden industry with additional costly and time consuming information disclosure requirements.</p>
<p>Question 2: Do you consider a principles-based approach to be the most appropriate solution? What are your views on the strawperson ECGS PASA objective?</p> <p>Do you think it includes any irrelevant considerations? Are there important considerations missing?</p> <p>How do you think future changes should be made to the PASA? Do you consider requiring AEMO to follow the NGR consultation process to develop and update the PASA would provide stakeholders with sufficient certainty and predictability while minimising the potential burden on industry?</p> <p>Are there other options that we should consider?</p>	<p>APLNG does not support any mechanism or approach that would reduce regulatory certainty, particularly where these relate to an increase in mandatory reporting for market participants with significant civil penalties attached.</p> <p>Implementing a ST and MT PASA as currently envisaged by AEMO would disproportionately increase the reporting burden on market participants and as such, any further changes to implementation requires serious consideration that is more appropriate through a formal rule change request. It is on this basis that APLNG is not supportive of a principles-based approach. More generally, we are disappointed at the insufficient time (15 business days) allocated to market participants to respond to this rule change request. The standard consultation process should be lengthened to provide market participants with adequate time to consider relevant issues and provide meaningful feedback.</p>

	<p>The regulatory burden on market participants has increased exponentially across a growing number of regulatory and government bodies. Market participants face increasing pressure to consider major reforms and provide meaningful responses within unreasonably short timeframes. This is further complicated by overlapping consultation processes—as has occurred with AEMC’s rule change request this month.</p>
<p>Question 3: Which factors should guide AEMO’s development of ECGS PASA modelling regions?</p> <p>How should modelling regions be defined?</p> <p>Should this be undertaken by AEMO? Do you consider the factors identified by AEMO to be comprehensive or are there other relevant factors?</p>	<p>No feedback provided.</p>
<p>Question 4: Is the proposed ST PASA design fit for purpose?</p> <p>What are your views on the proposed inputs, outputs, and other ST PASA design elements?</p> <p>Is anything missing? Are there unnecessary inputs or outputs?</p>	<p>APLNG encourages the AEMC to reconsider whether the additional data collection identified by AEMO in its rule change request is necessary to deliver the ST and MT PASA. APLNG considers that changes to reporting should be reviewed carefully to ensure that protections and rights provided for under existing reporting frameworks are maintained.</p> <p>For example, in AEMO’s rule change request it has suggested moving the collection of certain linepack information reported under Rule 690 of the NGR in the East Coast Gas System (ECGS) Rules (Part 27), to a new insertion at Rule 179A, which falls under Division 5 of the Gas Bulletin Board procedures (Part 18). This is extremely concerning since AEMO has obligations under Division 7 of Part 18 to publish the information provided under Division 5, unless there is an exception provided; and there has been no mention of exceptions in this consultation.</p>
<p>Question 5: Is the proposed MT PASA design fit for purpose?</p> <p>What are your views on the proposed inputs, outputs, and other MT PASA design elements?</p> <p>Is anything missing? Are there unnecessary inputs or outputs?</p>	<p>The linepack information provided under Rule 690 is currently protected from disclosure at Rule 683 of Part 27 in the NGR, which notes that information collected through the ECGS rules has protections from unauthorised use or disclosure under Division 7 Part 6 of Chapter 2 of the National Gas Laws (NGL).</p> <p>This linepack information is commercially sensitive, and its publication would be detrimental to APLNG. In its current rule change request, it does not appear that AEMO has considered exempting this information from publication, nor has it considered the commercial detriment of the potential publication of the other sensitive data it suggests bringing under the Gas Bulletin Board reporting.</p> <p>Where AEMO is seeking to synergise reporting, the protections afforded to data previously provided under the original reporting framework should be brought across and upheld. In the</p>

example above on certain linepack information provided under Rule 690 of Part 27, this could be done by carving out disclosure of information in Rule 194 of Part 18.

Similarly, in discussing the need for the proposed new LNG export demand forecast, the rule change request states that “There is generally a low variance between forecast and actual gas demand for the LNG export projects”. That is true currently as producers provide a 7 day forecast, when gas supply and operational demands are largely known. However that would not be the case if the forecast was extended to 52 weeks under the proposed rule 181B.

Rather, we consider the forecast would (a) lead to a high variance between forecast and actual gas demand, with the potential to mislead the regulator and market; (b) be commercially detrimental to APLNG if published; and (c) place APLNG and other LNG exporters at a further competitive disadvantage if published, as it would impact our ability to market LNG globally and manage existing contracts. We do not consider that the aggregation proposed in rule 195D would be sufficient given there are only three LNG exporters in the east coast market.

APLNG notes that these are only two examples of confidential information, and that a detailed assessment of all information that was previously reported under Part 27 and new information proposed to be required, along with express carve out provisions for each piece of data should be provided for in any amendments to Part 18.

Much of the data sought by AEMO to facilitate the proposed ST and MT PASA is commercially sensitive information. Both the additional data collection, and the process of changing an existing reporting obligation from one framework to another, will lead to increased risk of inadvertent disclosure and data mishandling. APLNG considers that implementing a ST or MT PASA based on existing provision of data would a) ensure no unintended confidentiality or competition concerns; and b) not additionally burden, with both cost and activity, market participants who are already struggling to manage the ever increasing data provision requirements.

Alternative approaches, which would not impose additional regulatory burden on gas suppliers could include:

- establishing a ST PASA without additional reporting requirements, based on the BB Short-Term Capacity Outlook (a 7-day forecast of daily demand, forecast makeup of demand and forecast daily capacity collected daily), in conjunction with the BB Medium-Term Capacity Outlook (a 24-month forecast of daily capacity collected weekly)
- constructing a quarterly MT PASA based on the:
 - 12 month (BB Medium Capacity Term Outlook)
 - 24 month forecast (the Gas Inquiry, collected quarterly)
 - 10-20 year forecast (GSOO report, collected annually).

<p>Question 6: What are your views on compliance and enforcement?</p> <p>Do you consider that the proposed penalty/compliance approach will ensure that the inputs for a PASA are of sufficient quality?</p> <p>Are there gaps in the current compliance and enforcement framework that should be addressed to ensure the integrity of a PASA?</p>	<p>No feedback provided.</p>
<p>Question 7: Are there additional opportunities for streamlining or to remove duplication?</p> <p>Are there other opportunities to streamline the provision of information on the ECGS to AEMO?</p> <p>Are there redundant requirements that could be removed?</p>	<p>Whilst APLNG appreciates that AEMC has attempted to streamline the provision of some information to AEMO by moving certain data collection from Part 27 to Part 18 of the NGR, as discussed in our response to Questions 4 and 5 above, more regard needs to be given to ensure that the streamlining of data provision does not derogate confidentiality and other protections previously afforded to commercially sensitive data. Careful consideration and adequate stakeholder feedback must be sought to ensure market participants are not commercially disadvantaged or unnecessarily overburdened</p> <p>More generally, an effort should be made across government to streamline reporting. The extent of duplication or near-duplication across current mandatory information requests, publishing and reporting to the AER, AEMO, the ACCC and the Department of Industry, Science and Resources is adding significant cost and burden to the industry.</p> <p>APLNG, along with many other gas producers, has consistently advocated for government bodies to harmonise their data requests by, for example, adopting single data requests under multiple heads of power, co-signed by all relevant agencies. At a minimum, APLNG expects that government bodies should provide certainty of when information is required, streamline information requests between government bodies, align reporting periods and definitions, and adopt a single data portal/access regime. The usual practise of each agency requesting its own data in its preferred format is crippling the industry. Other countries have developed single portals for data collection from which all agencies retrieve the data they require for their own purposes. These portals adequately consider confidentiality for all contributors whilst providing adequate information for the safe, effective and efficient functioning of the relevant markets.</p> <p>Solutions such as this should be considered seriously, if genuine improvement and efficiencies are intended.</p>
<p>Question 8: What are your views on implementation timing?</p> <p>What are your views on the costs or benefits of implementing an ECGS PASA before a reliability standard has been developed?</p> <p>Are there potential benefits from a staged approach to implementation?</p>	<p>No feedback provided.</p>

<p>Question 9: Are there alternative solutions that would be preferable?</p> <p>Can you share any alternative solutions that would provide ECGS stakeholders with the information needed to make efficient decisions over the intra-year timeframe that you think would be preferable and more aligned with the long-term interests of consumers?</p> <p>Are there alternative solutions that sit outside of the gas rules such as industry or jurisdictional initiatives that could address the issue?</p>	<p>See response to questions 4 and 5 above.</p>
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