

9 September 2025

Australian Energy Market Commission 60 Castlereagh St, Sydney NSW 2000

RE: Request to change Rule 8(2)(a)(ii) of the National Gas Rules

Pursuant to sections 295 and 298 of the *National Gas Law* (NGL), Australian Energy Producers formally requests, on behalf of its members, a change to rule 8(2)(a)(ii) of the *National Gas Rules* (NGR).

In accordance with regulation 13 of the *National Gas (South Australia) Regulations*, Australian Energy Producers provides the following information in relation to this rule change request:

(a) the name and address of the person making the request

Australian Energy Producers, on behalf of its members; GPO Box 2201, Canberra, ACT 2601

(b) a description of the Rule that the person proposes be made

The standard consultative procedure at rule 8(2)(a) of the NGR currently states:

- (2) The decision maker must proceed as follows:
 - (a) the decision maker must publish a notice on its website:
 - (i) describing the proposal and giving the address of a website; and
 - (ii) inviting written submissions on the proposal within 15 business days of the date of the notice;

Australian Energy Producers requests that the following changes be made to rule 8(2)(a) of the NGR, as well as the introduction of a new rule 8(2a):

- (2) The decision maker must proceed as follows:
 - (a) the decision maker must publish a notice on its website:
 - (i) describing the proposal and giving the address of a website; and
 - (ii) inviting written submissions on the proposal within 15 business days of the date of the notice in accordance with rule 8(2a); and

. . .

(2a) The period for written submissions under rule 8(2)(a)(ii) is:

- (a) <u>unless paragraph (b) applies no earlier than 30 business days from the date of the notice under rule 8(2)(a); or</u>
- (b) <u>if the decision maker is satisfied the proposal is a Non-material proposal at least 15</u> business days from the date of the notice under rule 8(2)(a).

A definition for Non-material proposal would also need to be added to the beginning of rule 8:

Non-material proposal means a proposal that, if implemented, will be unlikely to have a significant effect on achieving the National Gas Objective or on the activities of the Registered Participants and entities to which the proposal relates.

(c) a statement of the nature and scope of the issue that is proposed to be addressed and an explanation of how the proposed Rule would address the issue

The proposed amendment is to apply to all consultation processes subject to the standard consultative procedure under rule 8 of the NGR. This includes (but is not limited to) consultation processes conducted by:

- The Australian Energy Regulator (AER), such as form of regulation reviews, guideline reviews (e.g. pipeline information disclosure guidelines and compliance procedures and guidelines) and the making of general regulatory information orders and price information orders.
- The Australian Energy Market Operator, such as the development of participant fee structures
 or the determination of a project as a major gas project.

A strict 15 business day submission period, as set out in rule 8 above, is not long enough for interested stakeholders to review consultation material, seek external advice (as applicable), consult with internal stakeholders, prepare a response and lodge a submission.

This concern was raised by several stakeholders as part of the AER's consultation process on its amendments to the Pipeline Regulatory Determinations and Elections Guide, as well as in the consultation process related to the form of regulation review for the South West Queensland Pipeline (SWQP):

- The Australian Pipelines and Gas Association's submission on Pipeline Regulatory Determinations and Elections Guide (LINK)
- The APA Group's submission on Pipeline Regulatory Determinations and Elections Guide (LINK)
- Australia Pacific LNG's submission on Pipeline Regulatory Determinations and Elections Guide (<u>LINK</u>)
- The Energy Users' Association of Australia (EUAA) submission on the SWQP Form of Regulation (LINK).

In the AER explanatory note on its amendments to the Pipeline Regulatory Determinations and Elections Guide, it is stated that the AER "also considers that there is a case for seeking a change to the NGR so that the AER can invite submissions for a longer time period" than 15 business days (Rule 8(2)(a))¹ but did not commit the AER to applying to the Australian Energy Market Commission for the rule change.

(d) an explanation of how the proposed Rule will or is likely to contribute to the achievement of the national gas objective

The National Gas Objective as stated in the NGL is:

"to promote efficient investment in, and efficient operation and use of, covered gas services for the long term interests of consumers of covered gas with respect to:

- a. price, quality, safety, reliability and security of supply of covered gas; and
- b. the achievement of targets set by a participating jurisdiction

¹ AER, <u>Explanatory note—Amendments to pipeline regulatory determinations and elections guide</u>, May 2024, p. 7.

- i. for reducing Australia's greenhouse gas emissions; or
- ii. that are likely to contribute to reducing Australia's greenhouse gas emissions."

Australian gas sector participants and, as noted above, the AER will benefit from this change by allowing sufficient time to review and respond to consultation requests. For a complex submission such as the SWQP form of regulation review, 30 business days would have allowed more time for gas sector participants to provide higher quality and/or evidence-based responses.

Higher quality and/or evidence-based responses to consultation requests contributes to the National Gas Objective through higher quality and effective consultations leading to more efficient operation of the NGL which will benefit consumers, suppliers and regulators.

(e) an explanation of the expected benefits and costs of the proposed change and the potential impacts of the change on those likely to be affected

For a complex submission such as the SWQP form of regulation review, 30 business days would have allowed more time for gas sector participants to provide higher quality and/or evidence-based responses. Higher quality and/or evidence-based responses will benefit the decision-making process by providing better timely information to the decision maker. The decision maker having better information will in turn benefit the long-term interests of consumers. For more non-material proposals, 20 or even 15 business days may be sufficient.

While the AER have not published a calendar of future consultations, the AER has communicated its intention to undertake two form of regulation reviews per year. In addition, the Australian Government has proposed the standard consultative procedure under rule 8 of the NGR would apply to some of the upcoming Stage 2 East Coast Gas System reform consultations (such as the development of the AER's value of customer reliability methodology and estimates²). Accordingly, a prompt resolution to this request will have immediate benefit to stakeholders and regulators.

The proposed change to the consultative period to no earlier than 30 business days from the date of the notice, unless the decision maker is satisfied the proposal is a Non-material proposal to justify a shorter period will allow sufficient time for complex consultations and the flexibility for shorter consultation periods for non-material consultations. The direct cost to amending rule 8 of the NGR should be negligible, and by allowing the decision maker to make the submission period shorter where justified, the potential indirect costs of a protracted decision-making process should be avoidable.

Given the rule change request will not have a significant effect on the market for gas or the regulation of pipeline services for the reasons set out above, Australian Energy Producers also requests that this application be treated as a non-controversial rule change request.

Please feel free to reach out if there are questions or queries relating to the above rule change request.

Sincerely

SMcCulloch

Samantha McCulloch
Chief Executive Officer
Australian Energy Producers

² Department of Climate Change, Energy, the Environment and Water, <u>Rule change request</u> East coast gas system Reliability Standard and Associated Settings, July 2024, p. 37.