

18 March 2020



Our Reference: APLNG - COR – 0014354

Audrey Zibelman
Chief Executive Officer
Australian Energy Market Operator
By email: gsg_communications@aemo.com.au

Dear Ms Zibelman

Submission - Gas Supply Guarantee Guidelines Consultation

Australia Pacific LNG (APLNG) welcomes the opportunity to make a submission to Australian Energy Market Operator (AEMO) in response to the proposed amendment of the expiry date set out in the Gas Supply Guarantee (GSG) Guidelines (Guidelines).

APLNG is an incorporated joint venture among ConocoPhillips, Origin and Sinopec. APLNG is one of the largest producers and suppliers of natural gas to the East Coast domestic gas market, currently supplying more than 30% of the total volume of domestic gas sold into the East Coast domestic market. APLNG remains committed to the domestic market with existing commitments out as far as 2042 to supply over ~1,500 Petajoules.

Background

In 2017, APLNG participated in the consultation process related to the implementation of the GSG under the Guidelines. At the time, APLNG recognised the importance of the mechanism and supported implementation of the Guidelines to ensure a workable process with adequate clarity.

As a principle, APLNG supports a streamlined regulatory framework for the gas market that provides an efficient gas system and competitive market, removes inefficiencies and regulatory complexity, as well as encourages investment and market-led solutions.

Given the commitment by LNG exporters on the east coast to the domestic market under the Heads of Agreement with the Australian Government and there has been no requirement to activate the GSG since its implementation almost three years ago, APLNG remains confident that market-led solutions will ensure supply flows to where it is required.

Current policy consultation

APLNG supports amending the current expiry date set out in the Guidelines to 31 March 2023 and looks forward to the opportunity to participate in the review of the GSG mechanism to be undertaken by the Australian Energy Market Commission.

APLNG also confirms its support for the submission made by the Australian Petroleum Production and Exploration Association in relation to this consultation process.

If you have any questions, or would like to discuss this submission further, please contact Susan Moore on (07) 3028 5111.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Warwick King".

Warwick King
Chief Executive Officer
Australia Pacific LNG Pty Limited