



## Response template for the East Coast Gas System Guidelines Consultation

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Review comments submitted by: *APA*

Confidential: NO

Date: *6 April 23*

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Please complete sections 1 and 2.

### Section 1 - General Comments on the Guidelines

Topic	Please Provide Response Here
East Coast Gas System Guideline (general comments)	
2.2 Identification of an actual or potential risk or threat	<p>Consistent with APA's submission for ECGS procedures, the material capacity impacts of BB facilities are already reflected in new and existing BB reporting obligations: Short Term Capacity Outlook, Extended Daily Capacity Outlook, Linepack Adequacy Flag (LCA Flag), and Medium Term Capacity Outlook.</p> <p>Clarity is sought that by complying with the BB reporting obligations outlined above, APA simultaneously meets the NGR obligation to notify AEMO of events or circumstances <i>that affect, will affect, or may affect the reliability of gas supply within the east coast gas system.</i></p>
2.3 Responses to identified risk or threat	APA proposes that AEMO provide notification to relevant entities before AEMO's engagement with NGERAC and jurisdictional representatives under 2.3 (c). It is important

	that relevant entities are kept informed of escalations of identified risk or threat to these entities.
3.3 Scope of conference	APA seeks confirmation that the Gas Supply Guarantee (GSG) guidelines and conferences will be extinguished as the East Coast Gas Procedures and Guidelines will now cover the same objectives and conferences. Having both the GSG and East Coast Gas conferences will lead to confusion amongst industry if the GSG is retained.
3.4 Invitation to a conference	<p>APA requests AEMO to provide operational details of the gas supply risk or threat prior to an assessment conference where practicable, even if only high-level details of the threat/risk are available. The information shared prior to an assessment conference will allow a higher degree of participants' contribution during the conference to provide more specific and accurate information, resolving the issue more efficiently.</p> <p>APA suggests the notification period prior to the conference be at least one hour, where practicable, to enable participants to be prepared and consulted internally as noted above.</p>
3.5 Discussion at a conference	APA seeks to confirm with AEMO the granularity of the information that AEMO might request during the conference. Specifically in 3.5(d)(i) –'pipeline nominations and any additional and unutilized capacity'. APA's understanding is only pipeline <u>aggregate</u> of nominations/capacities will be required, not <u>specific</u> shipper information which is commercial in confidence information.
4.1 Purpose of directions	'AEMO to give a written direction to relevant entities': APA seeks confirmation that where practicable AEMO will conduct a conference/consultation first <u>before</u> issuing a written direction.
4.4 Principles AEMO may consider when giving directions	1. APA appreciates that AEMO has given consideration to consulting with the relevant entities prior to issuing directions, considering who has title to the gas and issuing dual directions to the shippers and facility operators. As APA has communicated in previous submissions and verbally to AEMO and the Commonwealth Government, an <b>industry led response to supply adequacy events is critical</b> to ensuring the most efficient and effective outcome is followed which results in the least consequential impacts.

2. APA notes that in emergency response situations involving safety, jurisdictional entities consult with the relevant entities prior to issuing directions. Considering a supply adequacy event or shortfall is not a safety event, it is conceivable there is time to consult or advise an entity before issuing a direction.

3. APA's preference of the Directions Process in Fig.2 is for the facility operator and shipper consultations (and directions) to be as close to simultaneous as possible or in the case of directions, the direction is sent simultaneously to the shipper and facility operator. This is to ensure that the relevant parties have consistent information and are responding as required without significant time lapse which may create divergent responses.

4. Clarification is required on whether AEMO considers suspending Capacity Trading & Auction's Day Ahead Auction (DAA) process and/or Short Term Trading Market (STTM) or Declared Wholesale Gas Market (DWGM) functions for a required period to preserve a particular pipeline flow direction. APA acknowledges AEMO might direct APA on existing or new nominations for a specific shipper(s); however, the broader market movements and associated flow impacts are outside of APA's control. The scenario may play out where shippers that *are not included* in AEMO's direction make nominations and, as a result, change the pipeline flow.

5. If AEMO directs a specific shipper to transport its existing firm park volumes, the shipper's firm transport MDQ might not be sufficient to move all the directed volume on a gas day. These products are independent and a shippers' firm park MDQ and firm transport MDQ do not always equal. In such circumstances, AEMO's direction should be structured to engage and exhaust all shippers with firm contracted but unutilized transport capacities before resorting to interruptible services.

In addition, due to the construct of the CT&A DAA and auction service priority obligations in NGR 651, facility operators are obligated to give schedule firm and auction services over lower tier services. Consequently, within day firm or interruptible services cannot be confirmed until post the DAA on a gas day. If AEMO doesn't suspend the CT&A DAA, but provides a direction relying on lower tier services, AEMO needs to

	<p>provide clarity as to which part of the NGR prevails in those circumstances – Part 25 or Part 27 and relief to facility operators for complying with one part of the NGR over the other.</p> <p>6. Diamantina Power Station (DPS) – APA’s BB large user facility – is <u>unconnected to the National Electricity Market</u> and the <u>sole power supply</u> to Mt Isa and Cloncurry townships and mines such as Mt Isa Mines. Significant safety issues are a possibility if gas supply for power generation is interrupted. Due to DPS criticality in providing stable power supply, APA requests DPS and its gas supplies to be excluded from the directions provisions.</p>
5.7 Tendering for services from industry	<p>Further clarification is required as to what type of market notices and within what timeframe will be issued by AEMO to invite market participants into the tender process. For example, is it fair to assume AEMO will notify an operator for each ‘impacted’ facility?</p> <p>If AEMO holds BB Shippers only tender, AEMO must consider whether those Shippers have an existing transportation agreement with the relevant facility operator. In contract carriage markets having existing and executed contractual rights is critical. Without these APA is unable to carry out its obligations including scheduling, and transportation of the gas molecules.</p>
5.8 Bilaterally purchasing or selling gas or services	<p>Where AEMO decides to enter into bilateral contracts for gas services (eg. transportation or storage services), please be cognisant that such agreements take time to negotiation and establish in hydrocarbon accounting systems. Consequently, these need to be established ahead of time if to be used by AEMO to exercise their trading function.</p>
5.9 Market trading	<p>When AEMO performs both a ‘market participant’ and a ‘market operator’ role, is any contract AEMO enters into still enforceable like any with other counter-party, and does AEMO manage any conflicts of interests?</p>

Section 2 - Feedback on the documentation changes in the Guidelines

\*\*\*Participants are to complete the relevant columns below in order to record their response.\*\*\*

East Coast Gas System Guidelines

Procedure Clause #	Issue / Comment	Proposed text <del>Red</del> <del>strikeout</del> means delete and <u>blue underline</u> means insert	AEMO Response (AEMO only)