



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

Email responses to: [gasreform@aemo.com.au](mailto:gasreform@aemo.com.au);

Review comments submitted by: *AGL Energy*

Confidential: NO

Date: 14 March 2023

Contact Person: *Liz Gharghori*, [lgharghori@agl.com.au](mailto:lgharghori@agl.com.au)

Please complete sections 1, 2 and 3 below.

### Section 1 - General Comments on the Procedure changes

| Topic                            | Please Provide Response Here  |
|----------------------------------|---|
| East Coast Gas System Procedures | <p>AGL's feedback on the East Coast Gas System Procedures is largely based on the Energy Ministers' February 2023 Information Paper, which was released in lieu of the draft or final Rules. It is difficult to provide relevant and detailed feedback on the Procedures without seeing the underlying Rules, and it is possible that the views given here will change once the Rules are published.</p> <p>AGL is disappointed, given the significant impact these particular Rules may have, that they have not been provided ahead of this consultation process. It is not appropriate for Procedures to precede delegated legislation (i.e., Rules). The process for developing the East Coast Gas System reforms, of which these Procedures form a part, should be taken as an extreme exception, and not an otherwise appropriate way to undertake Rule and Procedure amendments.</p> |
| BB Procedures                    | Nil response  |
| BB Data Submission Guide         | Nil response  |

## Section 2 – Specific AEMO questions

| Topic   | Please Provide Response Here |
|---|------------------------------|
| AEMO seeks feedback from stakeholders as to whether there is a preference for using the existing Medium Term Capacity Outlook or Short Term Capacity Outlook or the extended daily capacity outlook as discussed in section 4 of the PPC. | Nil response                 |

### Section 3 - Feedback on the documentation changes in the Procedures

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

| East Coast Gas System Procedures |  |   |                              |
|----------------------------------|--|---|------------------------------|
| Procedure Clause #               | Issue / Comment  | Proposed text<br><del>Red strikeout</del> means delete and<br><u>blue underline</u> means insert  | AEMO Response<br>(AEMO only) |
| 3.2                              | The section on Direction notices does not state whether directed participants will be identified in a direction notice. AGL's preference is that parties are not identified given commercial sensitivities.  | Part 27 requires AEMO to publish direction or trading notices in accordance with the Procedures as soon as reasonably practicable after the exercise of a direction or trading function. <u>Directed parties will not be named in a public direction notice.</u>  |                              |
| 3.3                              | The section on Trading notices does not state whether parties to an AEMO trade will be identified in a trading notice. AGL's preference is that parties are not identified given commercial sensitivities.   | Rule 697(1) requires AEMO to publish direction or trading notices in accordance with the Procedures as soon as reasonably practicable after the exercise of a direction or trading function. <u>Parties to an AEMO trade will not be named in a public trading notice.</u>  |                              |
| 3.4                              | This section requires a relevant entity to notify AEMO and the AER within two business days, when it has not complied with a direction. AGL is unsure whether this will be practically possible in all circumstances, as the relevant entity may not have the necessary information within that timeframe. | Part 27 requires relevant entities to provide AEMO and the AER a report detailing the reasons for not complying with an east coast gas system direction within <del>two</del> <u>five</u> business days of receiving the direction.<br><br>(b) Where a relevant entity is required to provide AEMO and the AER a report detailing the reasons for its non-compliance with a direction, the report must be provided by 5.00 pm <del>two</del> <u>five</u> business days after receiving the direction. The report must be provided by email to:<br><br>(i) AEMO: bbo@aemo.com.au<br><br>(ii) AER: AERCompliance@aer.gov.au |                              |
| 3.6.3                            | Regarding the Disclosure of information obtained at conferences, the draft procedure does not provide details of competition law protocols that will apply. Given the significant regulatory risk participants face in   |   |                              |

|                      |   |   |                              |
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|                      | <p>this regard, the draft procedures should be amended to have regard to competition law obligations.</p> <p>Further, subsection (d) is not drafted clearly and requires clarification. It's not apparent whether AEMO may:</p> <ul style="list-style-type: none"> <li>disclose confidential information at conferences,</li> <li>identify the parties who provided the confidential information that is disclosed at a conference, or</li> <li>neither of these.</li> </ul>  |   |                              |
| 4.1                  | <p>AGL's view is that this section incorrectly limits the parties who can seek compensation for direct costs associated with the deprivation of a natural gas service.</p> <p>Subsection (a)(iv) limits compensation to participants who have received a direction. This is inconsistent with the Information Paper published in February 2023, which provides the following (see Table 6, Item 6.1):</p> <p><i>"for a relevant entity deprived of a natural gas service in relation to which the relevant entity had a contractual or other legal right—the direct costs associated with the deprivation of that service, but only if the relevant entity remains liable for the payment of the direct costs under the relevant contract or otherwise by law."</i></p> <p>The draft procedure should be amended to reflect that compensation is claimable by any party where deprivation has occurred as a result of a direction, whether or not the direction was issued to that party.</p> | <p>(iv) where relevant, details of the direct costs associated with the deprivation of a <i>natural gas service</i> as a result of <del>receiving a</del> <u>a direction given by AEMO under Part 27</u>;</p> |                              |
| <b>BB Procedures</b> |   |   |                              |
| Procedure Clause #   | Issue / Comment   | <b>Proposed text</b><br><del>Red strikethrough</del> means delete and<br><u>blue underline</u> means insert   | AEMO Response<br>(AEMO only) |

|          |   |   |  |
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| 6.3.3(c) | For consistency with the submission cut off time in section 4.6.1 of the BB Data Submission Guide, suggest aligning the cut-off time given in the BB Procedures from 10:00 pm to 7:00 pm. | The medium term capacity outlook must be provided by <del>10:00</del> <u>7:00</u> pm each Monday, with the outlook starting from the following Monday |  |
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