

Attachment B

APLNG Stakeholder feedback template

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in this paper and any other issues that they would like to provide feedback on. The SCO strongly encourages stakeholders to use this template, so that it can have due regard to the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern.

Should stakeholders choose to provide additional feedback outside the template, they should reference the relevant question they are responding to.

1. Bulletin Board

Number	Questions	Feedback
1	Box 2.3 describes the purpose of the Bulletin Board. If the transparency measures outlined in this Consultation RIS are implemented, do you think that the purpose of the Bulletin Board should be further clarified (e.g. to capture both domestic and export-oriented activities)? If yes/no please explain.	No, the Bulletin Board purpose should have a shorter-term domestic market focus. APLNG believes the Bulletin Board should mainly focus on domestic gas and short-term management of gas flows. To the extent gas flows to export facilities affect the domestic market (i.e. transmission pipelines to the LNG facilities) these should also be included on the Bulletin Board. APLNG considers information that has a longer-term focus (i.e. reserves) should not be included on the Bulletin Board but included as a part of the Australian Energy Market Operator's (AEMO) Gas Statement of Opportunities (GSOO). The primary focus of the Bulletin Board should be related to gas flows around the domestic market. We also refer to our responses in numbers 8, 10, and 24 below in relation to the limitations of extending the Bulletin Board reporting to export-oriented activities, as it is not targeting all export activity, but targeting the three East Coast LNG facilities.

2. ACCC recommendations on reserves and resources reporting framework

Number	Questions	Feedback
2	As noted in Table 3.3, the ACCC has recommended that annual movements in 2P reserves be reported. Do you think:	(a) APLNG does not support an additional pricing category. Producers should be able to maintain their own price forecast to reflect the price at their facilities and long-term contracting strategy. If a producer has a high percentage of long-term

	<p>(a) an additional category of 'pricing' should be included to capture reserve adjustments due to changes in gas price assumptions?</p> <p>(b) reserves upgrades and downgrades should be combined into a single category?</p>	<p>contracts, forecasted prices will have less of an effect on the amount of reserves and these will be reflected in the annual reserve adjustments.</p> <p>(b) Yes.</p>
3	<p>As noted in Table 3.3, the ACCC has recommended that reserves and resources be reported on a field level. How do you think the term 'field' should be defined for this purpose? For example, do you think it should be defined by reference to a permit, or is greater guidance on how tenures are to be grouped into a field assist? Alternatively, do you think there should be a standard or requirement for naming fields? Please explain your response to this question.</p>	<p>Defining a field by reference to an ATP/PL permit is adequate.</p>

3. Gas, LNG and infrastructure prices

Number	Questions	Feedback
4	<p>Do you agree with the information deficiencies that have been identified in Table 4.1? If you don't agree please explain why. Are there other pricing related information deficiencies that you think are adversely affecting the gas markets in eastern and northern Australia?</p>	<p>We have assumed the reference is in fact to Table 4.2.</p> <p>APLNG acknowledges the current availability of pricing information could be improved, however APLNG's view is that only some of the reported prices will actually be relevant and assist the market with price discovery. More pricing information doesn't necessarily mean better price information particularly if it is historical or relates to long-term contracts where pricing has little relationship to those available in the current market. The Bulletin Board should include only relevant pricing information.</p> <p>For short- term trades, the Gas Supply Hub (GSH), Short Term Trading Markets (STTMs) and Declared Wholesale Gas Market (DWGM) are reliable prices indicative of a liberalising market. For longer term prices, there are now multiple pricing options available in the market, which can compete – Australian Bureau of</p>

		<p>Statistics, ACCC LNG Netback series, and ACCC Inquiry GSA reporting and associated reports.</p> <p>In addition, there is inadequate information provided to accurately compare these price quotes. These potential differences include, but are not limited to, the firmness of and the amount of the gas quantities contracted, flexibility, sales point location, supply term, creditworthiness and take-or-pay requirements. These key terms impact price and a failure to recognise these details will not aid market participants to derive a fair price for their own particular individual requirements.</p> <p>Even with the identified limitation of the LNG netback pricing, APLNG supports continuation of the LNG netback series as the most reliable “forward outlook” indicator for short-term domestic gas prices. APLNG still supports COAG Energy Council’s Gas Market Vision, which seeks an efficient reference price. The continuation of multiple price references, which are mostly historic, does not support this Gas Market Vision.</p>
5	How significant an effect, do you think the information deficiencies identified in Table 4.1, are having on the gas markets in eastern and northern Australia and the broader economy?	More price quotes can be conflicting, particularly given the issues raised in response to number 4 above.
6	Do you agree that the information deficiencies for gas, LNG export and infrastructure prices could be viewed as a market failure that will warrant government intervention? If not, please explain why.	APLNG does not agree. Further, APLNG believes that implementation of Options 3 or 4 would impose additional regulation on the gas market and this type of government intervention and additional compliance costs could be viewed as a market failure as it would move the industry further away from COAG’s Gas Market Vision.
7	To what extent have you been using the existing information on the Bulletin Board and information published in the ACCC Gas Inquiry?	<p>APLNG has utilised both pieces of information. The GSH reporting contains useful information. The ACCC Gas Inquiry also contains some useful price information, but some of the pricing information needs to be used and relied on cautiously as only the GSA prices are reported with no further detail. No other GSA terms are disclosed so there could be wide ranges on the length of the supply periods, volume flexibility, and delivery locations etc., which affect the price.</p> <p>Chart 4.3 in the ACCC’s Gas Inquiry July 2019 report is a good snapshot of prices regarding the relative value of the gas commodity price versus the rest of the value chain. APLNG believes this type of graph should form part of the GSOO to continue to focus the industry on where the inefficiencies/profits are located, particularly insofar as it goes beyond the control of the producer after the delivery</p>

		<p>point. APLNG believes the ACCC Report also includes other beneficial price related information including the amount of swing and take-or-pay levels in contracts.</p>
<p>8</p>	<p>Do you agree with the ACCC-GMRG's recommendations on how to address these information deficiencies, which would require the publication of the following (see section 3.3 for more detail)?</p> <ul style="list-style-type: none"> ○ production cost estimates; ○ short-term GSA prices; ○ long-term GSA prices; ○ LNG netback prices; ○ LNG export prices; and ○ the standing prices and actual prices paid for compression and storage facilities. <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	<p>APLNG agrees more price discovery is needed, but would propose some adjustments to the recommendations. Additional regulations relating to price reporting will add to compliance requirements and the overall cost of gas.</p> <ul style="list-style-type: none"> ○ Production – <ul style="list-style-type: none"> ○ APLNG does not believe a producer in any region of the world is required to report its actual production costs, and questions what this adds to price discovery. So long as a producer has long-term sales contracts (such as APLNG in the domestic and export markets), production costs do not provide a price floor. This is also true for CSG wells, where once drilled, the wells cannot be shut-in for long periods of time without causing potential well damage, so a producer must continue to produce from those wells even when the spot price drops below assumed costs. ○ If production costs estimates are to be reported (which APLNG does not support), APLNG suggests that it be included as a range rather than a single number to accommodate the range of variables that potentially determine these costs. In APLNG's view, Core Energy's estimate has set an unrealistic price expectations in the market which further contributes to information asymmetries. ○ Gas prices – APLNG believes that only forward-looking prices are of benefit to potential gas buyers as historic prices may not reflect current price expectations. APLNG believes the best indicator of a forward-looking domestic price is an LNG netback price as it provides a reliable view of the alternatives available in the East Coast short-term market, even with its known limitations and realising LNG can be contracted on different terms and conditions. APLNG is willing to continue to work with industry and Government to refine this price series and suggests that it should be reported at least quarterly. ○ LNG export prices – APLNG does not agree the lack of available LNG export information is affecting the domestic market. However, APLNG acknowledges the market may benefit from the publication of all spot

		<p>cargo prices as the prices paid for these cargos should support the prices associated with the LNG netback series.</p> <p>APLNG signed its long-term LNG supply contracts to underwrite its upstream developments and export facilities over 7 years ago. The age and context of these contracts are unlikely to be instructive to domestic short-term gas sales.</p> <p>Further, the pricing information for these LNG cargos is confidential and commercially sensitive. If disclosed, this could place APLNG's buyers at a disadvantage in a liquid and competitive global LNG market and reveal their supply cost information to subsequent buyers in their supply chain (refer to response to number 66 below).</p> <p>APLNG therefore does not support the publication of pricing information under its long-term LNG supply contracts.</p> <ul style="list-style-type: none"> ○ Storage and compression – APLNG agrees this is an inconsistency, but many operators are already providing it voluntarily. <p>Before finalising any option recommendation, APLNG believes that COAG/DOEE should complete its intended Cost Benefit Analysis (CBA) and other risk assessment work to fully understand the cost to AEMO, AER and market participants and the impact to competitiveness for all parties. APLNG believes this information should be published for consultation before a final option is selected.</p>
9	<p>Do you agree with the options that have been identified in section 4.3, or are there other options that could be considered? If you think there are other options that could be considered, please explain what they are, what they would involve and what the advantages, disadvantages, costs, benefits and risks are with these additional options.</p>	<p>APLNG agrees these price options are comprehensive. However, as suggested in response to number 8 above, APLNG sees the most benefit to market participants being derived from the LNG netback series as the most relevant forward-looking price expectation.</p> <p>Reporting of the short and long-term GSAs has several downsides, which include:</p> <ul style="list-style-type: none"> ○ Price expectations may have moved significantly since the GSA was signed. ○ There are numerous terms affecting the price – amount of gas contracted, flexibility/swing, take-or-pay level, delivery location, creditworthiness, etc.

		<p>– such that GSAs would have to be segmented into many groups to accommodate these factors. This amount of segmentation would make aggregation more difficult and limit the amount of trades reported.</p> <ul style="list-style-type: none"> ○ More and more GSAs are priced based on floating indices such as Brent, JCC and JKM. To equate these prices, the AER would need to forecast commodity and foreign exchange prices with gas consumers possibly making decisions based on their forecast. <p>In addition, in APLNG’s view, the reporting of historical prices, LNG netback prices, ABS indices and other price alternatives can start to deter from a standard reference price and cause confusion in the market. It also seems to conflict with COAG’s Gas Market Vision for one reference price. For these reasons, APLNG questions the need for reporting multiple prices.</p> <p>If short term GSAs would be reported to the Bulletin Board, and longer term GSAs would be reported to the AER and other pricing information is reported in the GSOO, APLNG assumes that the ACCC Gas Inquiry regarding gas prices would not continue to avoid duplicate reporting.</p> <p>See response to number 8 above relating to production costs.</p>
10	<p>In relation to the options set out in section 4.3:</p> <ul style="list-style-type: none"> (a) What do you think the advantages, disadvantages, costs, benefits and risks are with each option? (b) What incremental benefits do you think are associated with options 2-4? (c) What incremental costs do market participants expect to incur under options 2-4? (d) Are there any refinements that could be made to these options to reduce compliance and reporting costs, whilst also ensuring any obligations are fit for purpose and achieve the NGO and the Energy Council’s Vision as set out in Box 1.1? (e) Do you agree with the proposed reporting frameworks for short-term GSAs, swaps and/or secondary trades of storage capacity? If not, please explain what you think should change and why. 	<p>(a) See responses to numbers 8 and 9 above.</p> <p>(b) APLNG believes there is benefit to a modified Option 2, which includes the LNG netback series, spot LNG cargo prices, but excludes the production cost estimates (as per response to number 8 above). There is benefit to the market in the publication of a forward-looking LNG netback price, because if updated frequently, it provides the market with a long-term (up to 12 months plus) view of price expectations.</p> <p>APLNG believes there is less value to some of the other price reporting in Option 3 as the prices reported under historic GSAs (either short or long-term) would be out of date when published and because of the numerous terms in a GSA affecting price. This would be difficult to assess/segment when reporting for gas users to make accurate comparisons.</p> <p>Regarding LNG export prices, whilst APLNG does not think it’s necessary for transparency or market efficiency, APLNG considers limiting the reporting to spot LNG cargo prices (with a suggested 30-day delay from the delivery of sale) would</p>

		<p>reinforce the LNG netback series. As discussed, reporting the long-term LNG cargo prices would further place the buyers of East Coast LNG cargos at a disadvantage. (See response to number 66 for more detail).</p> <p>(c) and (d) With the modified Option 2 suggested above, APLNG believes it would provide the most benefit to the market.</p> <p>(e) APLNG believes the ability to publish most of this information would be limited given the varying terms and conditions of the GSAs, which impact price. This would be further limited by the requirement to aggregate at least three sellers, resulting in a good part of the benefit being lost. APLNG also believes that such detailed reporting of short-term GSAs does not support COAG's Gas Market Vision. APLNG prefers that the Wallumbilla/Moomba GSH is supported so additional liquidity is established to enable 12-month strips to be posted.</p>
11	If you think the transparency measures set out in section 4.3 should be implemented through alternative means, please explain how you envisage this would work.	If short term GSAs would be reported to the Bulletin Board, and longer term GSAs would be reported to the AER and other pricing information is reported in the GSOO, APLNG assumes that the ACCC Gas Inquiries regarding gas prices would not continue, so not to duplicate reporting.

4. Supply and availability of gas

Number	Questions	Feedback
12	you agree with the information deficiencies that have been identified in Table 5.1? If you don't agree with the information deficiencies that have been identified, please explain why. Are there other gas supply and availability related information deficiencies that you think are adversely affecting the gas markets in eastern and northern Australia?	<ul style="list-style-type: none"> o Reserves - APLNG believes the reserves and drilling information currently available from the DNRME and other agencies is adequate for transparency, however, understands the need for better reporting in other States and consistent reporting across the East Coast. APLNG supports the ACCC-GMRG reserves reporting standards published earlier in 2019 as it is close to current ASX and DNRME reporting. However, as it will typically be updated

Number	Questions	Feedback
		<p>annually, APLNG believes the best place for this annual reporting would be as a part of the GSOO and not the Bulletin Board.</p> <p>APLNG is also concerned that reserve information may mislead gas users as there is not a direct relationship between reserves and gas available for sale, as some of the reserves may not be developed/drilled in the short-term.</p> <ul style="list-style-type: none"> ○ Exploration/Development – As with reserves, APLNG believes the information available from the DNRME is adequate for transparency and market efficiency. However, APLNG understands the need for better reporting in other States and consistent reporting across the East Coast. APLNG believes the best place for this annual reporting is also as a part of the GSOO and not the Bulletin Board. While the number of wells drilled might be a helpful metric for transparency (and assist with the disconnect between reserves and production mentioned above), the annual drilling expenditures, particularly for CSG and exploration wells, is not (refer to response to number 8 above). ○ Contracted Reserves – As submitted during the ACCC-GMRG reserve consultation earlier this year, APLNG does not believe the reporting of either contracted or uncontracted reserves will assist market transparency or improve efficiency as there is no direct correlation between reserves and gas available for sale in a single year. A large percentage of APLNG’s reserves are (for various reasons) planned to be developed in the future, far outside the forecast period of most gas users. However, APLNG does support the continuation of the GSOO supply demand balance as a good indicator to the market of gas availability. APLNG is hopeful the GSOO supply-demand balance and the ACCC Inquiry supply -demand work will be combined to achieve compliance efficiencies and better inform the market. ○ LNG exporters’ demand-supply balance – As per this section above, APLNG suggests that the LNG exporters continue to provide this information annually to AEMO as a part of the GSOO process. APLNG further suggests this information continues to be reported by AEMO in aggregate form.
13	How significant an effect do you think the information deficiencies identified in Table 5.1 are having on the gas markets in eastern and northern Australia and the broader economy?	Due to the current restrictions on drilling and development delays in other States, APLNG believes that information deficiencies are more of a southern markets issue than in Queensland where there is more DNRME information transparency regarding reserves and wells drilled. Thus, for most gas users in Queensland, the

Number	Questions	Feedback
		discovery and search time is not significant. However, APLNG understands the need for transparency across the East Coast and believes the information as described in response number 12 above is appropriate.
14	Do you agree that the information deficiencies regarding the supply and availability of gas could be viewed as a market failure that will warrant government intervention? If not, please explain why.	At least in Queensland, with the additional information provided to DNRME, APLNG does not believe there are information deficiencies regarding gas supply. The main market failure regarding supply and gas availability is numerous drilling moratoria and development delays, which limits supply.
15	To what extent have you been using the existing information on the Bulletin Board and information published in the ACCC Gas Inquiry?	APLNG uses the Reports function and believes it is helpful to the market to guide customer decision making. However, although the Bulletin Board changes implemented in early 2019 are more comprehensive, there are still some functionality problems and issues with the Reports. The ACCC Gas Inquiry reports should be replaced by these new recommendations for the Bulletin Board, GSOO and AER to avoid conflicting analysis and duplicate reviews.
16	<p>Do you agree with the AEMC's and ACCC-GMRG's recommendations on how to address these information deficiencies, which would require the publication of the following (see sections 3.1 and 3.3 for more detail)?</p> <ul style="list-style-type: none"> o 1P, 2P, 3P reserves, 1C and 2C contingent resources; o Links to public information on exploration activities; o Drilling activities; o Volume of gas contracted under existing GSAs; and o LNG import volume and operational information. <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	<ul style="list-style-type: none"> o APLNG agrees with the ACCC-GMRG recommendations on reserves and resources by field (Option 3). APLNG's preferred location for this information is not the Bulletin Board, but the GSOO as an annually reported document. o APLNG agrees to links to publicly reported exploration information. o APLNG agrees with the ACCC-GMRG recommendation on drilling activities however, APLNG sees no value in reporting drilling expenditures. APLNG's preferred location for this information is not the Bulletin Board, but the GSOO as an annually reported document. o As per the response to number 12 above, APLNG does not believe that reporting on the reserves contracted relating to existing GSAs will provide useable information to the market. For APLNG, reporting of the contracted reserves may cause gas users to compare this number to the total amount of reserves to derive the uncontracted reserves. However, this will not reflect the time horizon of when the reserves will be converted to production and can be misleading. APLNG supports the continuation of the supply-demand balance in the GSOO.
17	Do you agree with the options that have been identified in section 5.3, or are there other options that could be considered? If you think there are other options that could be considered, please explain what the options	As mentioned in the response to number 12 above, APLNG considers that the best option is to link to existing reporting sites for reserve and drilling information so not to have duplicate reporting.

Number	Questions	Feedback
	are, what they would involve and what the advantages, disadvantages, costs, benefits and risks are with these additional options.	
18	<p>In relation to the options set out in section 5.3:</p> <p>(a) What do you think the advantages, disadvantages, costs, benefits and risks are with each option?</p> <p>(b) What incremental benefits do you think are associated with options 2-4?</p> <p>(c) What incremental costs do holders of gas reserves and resources, LNG import and LNG export facilities expect to incur under options 2-4?</p> <p>(d) Are there any refinements that could be made to these options to reduce compliance and reporting costs, whilst also ensuring any obligations are fit for purpose and achieve the NGO and the Energy Council's Vision as set out in Box 1.1?</p>	<p>(a) – (b) As per response to number 16 above.</p> <p>(c) – (d) APLNG continues to support a link to the DNRME website. The costs and obligations for Queensland producers could be reduced if a link was adopted to the Queensland DNRME website.</p>
19	If you think the transparency measures set out in section 5.3 should be implemented through alternative means, please explain how you envisage this would work.	<p>As discussed in response to number 16 above, APLNG considers annual reporting of reserves/resources and wells drilled should be included in the GSOO, not the Bulletin Board. The Bulletin Board should have a shorter-term focus.</p> <p>If these supply measures are implemented through the Bulletin Board and GSOO, APLNG assumes that the ACCC Gas Inquiries related to supply would not continue to avoid duplicate reporting.</p>

5. Demand for gas

Number	Questions	Feedback
20	Do you agree with the reporting information inconsistencies that have been identified in section 6.1? If you do not agree, please explain why.	APLNG does not agree the lack of available LNG export information is affecting the domestic market. This information can be readily inferred based on the daily shipping information from the LNG transmission pipelines. Thus, all the gas

Number	Questions	Feedback
	Are there other demand related information deficiencies that are adversely affecting the gas markets in eastern and northern Australia?	<p>reported from the three LNG transmission pipelines for delivery to Curtis Island via the Bulletin Board is utilised in the liquefaction process. APLNG does not believe there is a lack of information to market participants to make efficient decisions or that gas allocation will be improved.</p> <p>APLNG also suggests larger distribution pipelines are required to report their demand.</p>
21	How significant an effect do you think the demand related information deficiencies are having on the gas markets in eastern and northern Australia and the broader economy?	APLNG does not believe there is a deficiency as the information can be determined from multiple sources, including the pipeline transmission flows.
22	Do you agree that the information deficiencies identified in the demand for gas could be viewed as a market failure that will warrant government intervention? If not, please explain why.	No, as the information can already be determined from multiple sources.
23	To what extent have you been using the existing information regarding LNG exporters' demand-supply balance as published in the ACCC Gas Inquiry?	<p>APLNG mainly uses this information to ensure the East Coast will not have a forecasted shortfall.</p> <p>APLNG prefers that only one entity publishes a supply-demand balance, not both the ACCC and the GSOO.</p>
24	<p>Do you agree with the AEMC's and ACCC-GMRG's recommendations on how to address these information deficiencies, which would require the publication of the following (see sections 3.1 and 3.3 for more detail)?</p> <ul style="list-style-type: none"> ○ Large users' information on nameplate capacity and daily actual gas consumption; ○ LNG export facility operational information; and ○ LNG export facility shipment information. <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	<ul style="list-style-type: none"> ○ APLNG agrees with large users and distribution pipelines reporting nameplate capacity and daily gas consumption. ○ APLNG supports reporting the nameplate capacity of its LNG facility and the short and medium-term capacity outlook of these facilities, provided the materiality threshold is not changed. However, APLNG does not agree with reporting of its LNG tank storage levels. These tanks are designed to address variable LNG shipping schedules and are not connected to the domestic market. APLNG is not able to regasify LNG at its facilities. APLNG does not support reporting storage levels as it provides no value to the domestic market. <p>When the three East Coast LNG facilities start reporting their short and medium term outlook in addition to their short and medium term pipeline outlook, APLNG</p>

Number	Questions	Feedback
		<p>assumes that the reporting requirements under ACCC Authorisation Nos 91516 and A91517 will cease.</p> <ul style="list-style-type: none"> ○ For APLNG, the total amount of gas demand from its LNG facilities is the daily volumes shipped in its transmission pipeline, which is already reported and published on the Bulletin Board. As noted above, APLNG understands the need for the short and medium-term capacity outlooks from the LNG facilities, but for APLNG this equates to exactly the short and medium-term outlook for its transmission pipeline, which is already reported. As per the response to number 8 above, APLNG understands the market may benefit from understanding the pricing of any spot cargos exported. Thus, APLNG believes that reporting volumes of spot cargos (with a 30-day delay after the end of the month in which the LNG is delivered) may assist the market. <p>If required to report all cargos leaving the Curtis Island facilities, APLNG believes that only limited relevant information would be gained as there are differences in ship size and efficiencies of the plant, such that there is variability on calculating gas loaded on to each LNG ship.</p>
25	<p>Do you agree that requiring large users, LNG facility operators and LNG export facilities to report the information set out in section 6.3 will benefit market participants?</p> <p>(a) If so, please explain how you would use this information and the benefit it would provide.</p> <p>(b) If not, please explain why.</p>	<p>Only partially as discussed in response to number 24 above for LNG exporters.</p> <p>APLNG also believes large end users and distribution pipelines should report their medium-term outlook to assist with an accurate demand profile.</p>
26	<p>Do you agree with the list of information that large users, LNG facility operators and LNG export facilities would be required to report (e.g. do you agree that LNG facility operators should be required to report on the volume of LNG in storage facilities)?</p> <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	<p>No, as discussed in responses to numbers 24 and 25 above.</p>

Number	Questions	Feedback
27	Do you think that Northern Territory LNG facilities should be included or exempt from reporting the proposed operational and shipment information? Please explain your view.	Already determined per the Final Rule Determination dated 15 August 2019.
28	Do you have any suggestions for alternative/additional information that would improve demand side information on the Bulletin Board? If so, please explain your suggestions.	If these gas demand measures are implemented through the Bulletin Board, APLNG assumes that the ACCC Gas Inquiries related to demand outlook would not continue to avoid duplicate reporting.
29	<p>In relation to the LNG export information:</p> <p>(a) Are there any reasons why LNG exporters should not be required to report on exports to AEMO for publication on the Bulletin Board? If so, please explain why.</p> <p>(b) Are there any constraints on the ability of LNG exporters to report this information to AEMO? If so, please explain what the constraints are.</p> <p>(c) Do you agree the 20 business day lag is required to address potential concerns about the publication of LNG export information and if so, is this measure effective? If not, what would address those concerns?</p>	<p>(a) Yes, as discussed in response to number 24 above the gas volumes reported daily from the transmission pipelines to APLNG's LNG facilities are the most accurate information of the LNG facility's gas demand. If required to report cargos, there will be different size ships and variable efficiencies of the plants that will not be helpful to the supply-demand balance on the East Coast.</p> <p>(b) Yes, it will only increase costs with no additional benefit as this information is already reported/published for the transmission pipeline feeding APLNG's LNG facility.</p> <p>(c) Whilst APLNG does not agree the lack of available LNG export information is affecting the domestic market, this information should be limited to spot cargos 30 days in arrears after the month of delivery date (i.e. delivery of sale) to protect confidentiality and commercially sensitive information and not disadvantage the East Coast LNG facilities or their buyers.</p>
30	Do you agree with the options that have been identified in section 6.3, or are there other options that could be considered? If you think there are other options that could be considered, please explain what the options are, what they would involve and what the advantages, disadvantages, costs, benefits and risks are with these additional options.	APLNG believes the reporting should be limited to spot cargos, which are volumes in excess to contracted demand.
31	<p>In relation to the options set out in section 6.3:</p> <p>(a) What do you think the advantages, disadvantages, costs, benefits and risks are with each option?</p>	See responses to numbers 24 and 29.

Number	Questions	Feedback
	<p>(b) What incremental benefits do you think are associated with options 2-4?</p> <p>(c) What incremental costs do LNG exporters, LNG facility operators and large users expect to incur under options 2-4 in section 6.3?</p> <p>(d) Are there any refinements that could be made to these options to reduce compliance and reporting costs, whilst also ensuring any obligations are fit for purpose and achieve the NGO and the Energy Council's Vision as set out in Box 1.1?</p>	
32	If you think the transparency measures set out in section 6.3 should be implemented through alternative means, please explain how you envisage this would work and how this would contribute to the NGO and the Energy Council's Vision as set out in Box 1.1.	Reporting long-term contracted LNG prices and volumes that are confidential and commercially sensitive to the LNG exporters and their buyers may undermine investments and add risk to these projects and their continued ability to compete globally. APLNG does not believe this supports the NGO or the Gas Market Vision. APLNG notes there are consultants in the LNG markets who speculate on this information, so an approximation of some of this information already exists in the marketplace.

6. Infrastructure used to supply gas to end-markets

Number	Questions	Feedback
33	Do you agree with the information deficiencies that have been identified in section 7.1? If you don't agree with the information deficiencies that have been identified, please explain why? Are there other infrastructure related information deficiencies that you think are adversely affecting the gas markets in eastern and northern Australia?	<p>Yes, APLNG agrees to make the reporting for storage and stand-alone compression consistent with other gas infrastructure.</p> <p>APLNG does not believe there is an information deficiency regarding the reporting of gas infrastructure developments because this information is already included in the applications for the EIS and/or EPBC approvals, which are long lead items for any development. Therefore, submission of these documents should provide early notice of any development, which are public documents and go out for public inquiry. Nonetheless, APLNG supports these transparency measures in principle and the reporting of proposed and committed projects. However, APLNG does not agree entirely with the criteria. Due to the long lead time required for the EIS and/or EPBC approvals, most of the criteria categories occur within the approval timeframe, they just add a duplicative reporting obligation.</p>

Number	Questions	Feedback
34	How significant an effect do you think the infrastructure related information deficiencies are having on the gas markets in eastern and northern Australia and the broader economy?	It is not as significant as the other issues due to the project approval process being public and subject to public inquiry.
35	Do you agree that the information deficiencies regarding infrastructure used to supply gas to end-markets could be viewed as a market failure that will warrant government intervention? If not, please explain why.	No, however APLNG believes there should be consistency with reporting of compression and storage facilities. APLNG also believes the current requirements for gas market developments are public already and provide enough advanced view to the market.
36	<p>Do you agree with the AEMC's and ACCC-GMRG's recommendations on how to address these information deficiencies, which would require the publication of the following (see sections 3.1 and 3.3 for more detail)?</p> <ul style="list-style-type: none"> ○ Proposed and committed infrastructure developments; ○ 36-month uncontracted capacity outlook for storage and stand-alone compression facilities, and production facilities providing third party access; ○ Stand-alone compression facilities to report operational information; and ○ A list of users with contracted capacity under storage and stand-alone compression facilities. <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	<ul style="list-style-type: none"> ○ As discussed in response to number 33 above, APLNG agrees with reporting proposed and committed infrastructure developments, but believes the criteria should be amended to address the long lead time required for approvals. Also, the status of Proposed Projects should be defined by Advanced, Maturing, Emerging and Publicly Announced only. ○ Yes, to be consistent with other facilities. ○ Yes, to be consistent with other facilities. ○ Yes, to be consistent with other facilities.
37	<p>Do you agree that requiring project proponents to provide the proposed information on gas infrastructure developments will deliver an overall net benefit to gas market participants and policymakers?</p> <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	APLNG believes the net benefit would be small as this information is already publicly available and subject to public inquiry. APLNG also suggests that because information would only be subject to infrequent updates, the best location for this information is within the GSOO and not the Bulletin Board.

Number	Questions	Feedback
38	Do you agree with the list of information required for the proposed or committed gas infrastructure developments as set out in 7.3? If not, please explain why.	As discussed in response to number 33 above, in APLNG's experience because the long lead item would typically be approvals, there is not much differentiation between committed and proposed developments. Also, the status of Proposed Projects should be defined by Advanced, Maturing, Emerging and Publicly Announced only.
39	Do you agree that the requirements for entities to provide information on gas infrastructure developments should cover both 'proposed' and 'committed' developments set out in section 7.3? If not, please explain why	See response to number 38 above.
40	Do you agree the rules requiring compression service facilities registered under Part 24 to provide operational information should extend to all stand-alone compression facilities that meet the reporting threshold? If not, please explain why.	Yes, for consistency and particularly for stand-alone compression, which may be required for combinatorial pipeline movements.
41	Do you agree with the categories of information to be reported by compression service facilities set out in section 7.3? If not, please explain why.	Yes.
42	Do you agree the proposed extension of the time-frame for uncontracted capacity outlooks from 12 to 36 months will deliver an overall net benefit to gas market participants? (a) If so, please explain how you would use this information and the net benefit it would provide. (b) If not, please explain why.	Yes, some benefit particularly for long haul combinatorial pipeline movements.
43	Do you see value in extending the information requirement for a 36-month uncontracted capacity outlook to production facility operators that are providing third party access? (a) If so, please explain how you would use this information and the net benefit it would provide.	Yes, for consistency with other third-party infrastructure.

Number	Questions	Feedback
44	Do you agree that requiring Bulletin Board compression facilities and Bulletin Board storage facilities to provide a list of users with contracted capacity for publication on the Bulletin Board will deliver an overall net benefit to gas market participants?	Yes.
45	Do you agree that the materiality threshold should be changed? If not, please explain why.	APLNG appreciates the issue of the proposed materiality language and the impact on facilities with a capacity between 10 – 30 TJ/d. However, if the materiality definition is modified to 'a change that exceeds the lesser of 10% of the nameplate rating or 30 TJ/d', this presents an issue for APLNG (and probably other large facilities). The nameplate capacity of APLNG's transmission pipeline is 1700 TJ/d, therefore a 30 TJ /d change represents less than 2% of the capacity of the pipeline. APLNG has multiple production facilities feeding this pipeline, which can vary their flow throughout the day. These swings vary more than 30 TJ/d most days. APLNG suggests this language may need to be adjusted to accommodate these swings by either not changing the definition and including a special tolerance for facilities under 30 TJ/d or setting a different tolerance for the LNG transmission lines or large BB facilities.
46	Do you agree with the options that have been identified in section 7.3, or are there other options that could be considered? If you think there are other options that could be considered, please explain what the options are, what they would involve and what the advantages, disadvantages, costs, benefits and risks are with these additional options.	Yes.

Number	Questions	Feedback
47	<p>In relation to the options set out in section 7.3:</p> <p>(a) What do you think the advantages, disadvantages, costs, benefits and risks are with each option?</p> <p>(b) What incremental benefits do you think are associated with options 2-4?</p> <p>(c) What incremental costs do entities developing new gas infrastructure, operators of storage and stand-alone compression facilities, and facilities with a capacity of 10-30TJ/day expect to incur under options 2-4 in section 7.3?</p> <p>(d) Are there any refinements that could be made to these options to reduce compliance and reporting costs, whilst also ensuring any obligations are fit for purpose and achieve the NGO and the Energy Council's Vision as set out in Box 1.1?</p>	<p>(a) – (b) APLNG agrees the reporting requirements for compression and storage should be the same as other gas infrastructure, thus, APLNG supports Option 3.</p> <p>For gas Infrastructure developments, the current requirements provide adequate public view on potential developments and thus additional reporting is not required.</p> <p>Regarding the materiality definition, refer to APLNG's response to number 45 above.</p> <p>(c) More reporting costs for developments which are already available to the public. APLNG does not consider this is required.</p> <p>(d) As provided in response above.</p>
48	<p>If you think the transparency measures set out in section 7.3 should be implemented through alternative means, please explain how you envisage this would work and how this would contribute to the NGO and the Energy Council's Vision as set out in Box 1.1.</p>	

7. Gas Statement of Opportunities (GSOO)

Number	Questions	Feedback
49	<p>Do you agree that the GSOO should be expanded to include the Northern Territory now it is connected to the eastern and northern Australian gas markets? If not, please explain why.</p>	<p>Already determined under the Final Rule Determination dated 15 August 2019.</p>

50	Do you agree that the current voluntary requirement for market participants to provide information to AEMO results in a poor quality of information in the GSOO? If not, please explain why.	APLNG can only answer for its own input as APLNG seeks to provide accurate information. The quality of APLNG's information will not change if these requirements are made to be mandatory.
51	Do you agree that compelling market participants to provide information required for GSOO preparation will benefit the quality of information in the GSOO? If not, please explain why.	Refer to APLNG's response to number 50 above.
52	Do you agree with the options that have been identified in section 8.3, or are there other options that could be considered that would result in the GSOO better achieving its objective? If you think there are other options that could be considered, please explain what the options are, what they would involve and what the advantages, disadvantages, costs, benefits and risks are with these additional options.	For all information included as a part of a GSOO survey, APLNG assumes that the ACCC Gas Inquiries related this information would not continue to avoid duplicate reporting.
53	<p>In relation to the options set out in section 8.3:</p> <ul style="list-style-type: none"> (a) What do you think the advantages, disadvantages, costs, benefits and risks are with each option? (b) What incremental benefits do you think are associated with option 2? (c) What incremental costs do market participants expect to incur under option 2? (d) Are there any refinements that could be made to option 2 to reduce compliance and reporting costs, whilst also ensuring any obligations are fit for purpose and achieve the NGO and the Energy Council's Vision as set out in Box 1.1? 	<p>APLNG is not one of the stakeholders that has concerns with the quality of the GSOO surveys because they are voluntary. If others do have this concern, however, APLNG agrees that participation in the GSOO survey could become mandatory and the quality may improve.</p> <p>Not duplicating work of the supply demand balance between the ACCC and the GSOO should save some compliance costs.</p>
54	If you think the transparency measures set out in section 8.3 should be implemented through alternative means, please explain how you envisage this would work how this would contribute to the NGO and the Energy Council's Vision as set out in Box 1.1.	APLNG prefers the Bulletin Board provide more short-term information while the GSOO should maintain a longer-term view of the market. Thus, APLNG prefers annually reporting items like reserves and wells drilled to be included in the GSOO and not the Bulletin Board.

8. Risk analysis

Number	Questions	Feedback
55	<p>Do you agree with the identified risks and treatments associated with maintaining the status quo, as set out in Tables A.1 and A.2? If not, please explain why. If you think there are other risks and treatments that could be included in Tables A.1 and A.2, please elaborate.</p>	<p>APLNG believes the gas price information is mainly a risk to market participants in the southern markets only as the lack of gas supply and reasonable transportation pricing results in a regional shortage.</p> <p>In APLNG's view, the resulting risk ratings for prices are elevated because of the current southern shortage of gas supply.</p>
56	<p>Do you agree with the identified risks and treatments associated with implementing recommendations described in options 2, 3, and 4, as set out in Tables A.3 and A.4? If not, please explain why. If you think there are other risks and treatments that could be included in Tables A.3 and A.4, please elaborate.</p>	<p>Table 3 - APLNG does not agree with the RIS consultation paper on the following points:</p> <ul style="list-style-type: none"> ○ The risk there will be higher compliance/reporting costs should be a high risk. The efforts to comply with the ACCC Inquiries have required multiple extra personnel to be allocated, which now will become permanent for APLNG. Market participants may already have the information, but it will need to be reviewed, vetted and possibly reformatted each time it is requested. APLNG does also not see these costs as part of the "status quo" as it has been using existing resources to provide these information requests on the basis they were temporary and deferring other work. Now that they are permanent, APLNG will be addressing these requests with more permanent staffing. In addition, the LNG exporters will be paying for a large percentage of AEMO's costs. Both added compliance costs will only put more stress on gas prices and APLNG's competitiveness. ○ Reporting of LNG export prices could disadvantage APLNG's LNG buyers in the global market and presents sovereign risk as these agreements were signed expecting confidentiality (further discussed in response to number 66).

Number	Questions	Feedback
		<ul style="list-style-type: none"> Requiring producers to report their actual drilling or production cost will have a detrimental impact on their competitiveness, per response to number 12 above.

9. Cost Benefit Analysis

Number	Questions	Feedback
57	<p>Are you aware of any upcoming changes at a government level or private sector level that the CBA should take into account under the status quo scenario?</p> <p>If so, please explain what the changes are and how best to account for those changes in the CBA.</p>	<p>The only change that APLNG is aware of is the tight supply-demand balance in the southern states. Adding additional compliance costs and reducing the competitiveness of existing producers will not assist with this issue.</p> <p>APLNG believes that before a final option for each recommendation is selected the total cost to all participants to implement each option should be reviewed and identified (including the indirect costs resulting from the AER and AEMO). APLNG believes that compliance and implementation costs are currently unknown and some of these recommendations could have hidden costs. APLNG would like to understand all the costs involved (APLNG's, AEMO's and AER's) before a final decision is made .</p>
58	<p>Do you agree with the identified costs and benefit categories set out in Table 9.2? If not, please explain why? If you think there are other costs and benefit categories that could be considered in the CBA, please explain those cost categories and how best to capture them in the CBA.</p>	<p>Yes, as general groups. APLNG further believes that if some options are selected which reveal commercially sensitive information, it could also have a resulting negative affect on the competitiveness to its LNG buyers thus affecting the profitability in their market.</p>
59	<p>Do you have any information on the costs and benefits outlined in Table 9.2? If so, please elaborate on the components and quantum of the costs and benefits.</p>	<p>APLNG's direct compliance costs for Option 3 is estimated at \$1 million/year plus potential IT improvements which may be needed. APLNG would be willing to provide additional detail to support this number. In addition, APLNG will pay its portion of AEMO's cost associated with all Bulletin Board improvements. All these costs will increase APLNG's cost of supply.</p>

Number	Questions	Feedback
60	Do you agree with the proposed discount rate and appraisal period input variables to be used for the central case and sensitivity testing? If not, please explain why.	The three LNG projects are a first of their kind – CSG developments feeding the domestic market and LNG facilities. The annual real discount rate and range of the rate are too low to reflect the risks and revenue expectations associated with APLNG's project. Even for a conventional upstream development (which have lower development risks), these discount rates do not reflect the risk of oil and gas projects.
61	Do you think there are other input variables which should be sensitivity tested in the CBA? If so, please explain what other input variables should be tested.	No.

10. Commonwealth Regulatory Burden Measure Analysis

Number	Questions	Feedback
62	Do you have any information on the regulatory burden costs related to existing reporting requirements? If so, please elaborate on the components and quantum of the costs.	<p>The existing regulatory burden covers APLNG's entire value chain and multiple disciplines including reserves, production planning, gas operations, gas marketing, contracts, LNG operations, LNG marketing, legal and corporate groups. As the ACCC Gas Inquiry was deemed to be a temporary measure, APLNG was utilising existing resources to meet these requirements. As these measures become permanent and more substantial, APLNG estimates that its added regulatory costs to be approximately \$1 million/year of direct costs plus potential IT costs and its portion of any AEMO costs to make the Bulletin Board improvements. APLNG would be willing to provide additional detail to support this number.</p> <p>This estimate does not include the cost of any future ACCC Inquiries assuming there will be no overlap of reporting between these recommendations and future ACCC Inquiries.</p>

11. Competition Effects Analysis

Number	Questions	Feedback
63	Do you agree with the proposed approach to qualitatively assess the competition implications of each policy option described in this RIS paper? If not, please explain why.	Yes, except for the annual real discount rate as discussed in response to number 60 above.
64	Do you agree with the categories of key stakeholder groups identified for this analysis? If not, please explain why.	Yes, however as APLNG and others are in multiple groups, APLNG suspects it may be difficult to separate the competition impact on each segment of its whole business.
65	Do you agree with the proposed seven-point scale to be used for this analysis? If not, please explain why.	These seem very subjective. Without actual numbers, APLNG questions this subjectivity.
66	Do you have any information on potential competition effects arising from each of the policy options summarised in Table 9.1 ? If so, please elaborate.	APLNG's primary competition concern is with the price reporting under its long-term LNG contracts and the impact it will have on its long-term customers, who entered these contracts with strong confidentiality clauses. Based on knowledge of individual cargo prices, it may enable the price formulas in these contracts to be determined. With the competition knowing their purchase price, APLNG's long-term customers may be disadvantaged if trying to divert the cargo into other markets and in their home resale markets.

As above, APLNG does not fully support Option 3 for some of the recommendations, however, APLNG has commented on required amendments based on Option 3 below. APLNG assumes the drafting below will be amended to accommodate any variances from Option 3.

12. National Gas Law Amendments

Item number	Amendment	Issue	Feedback
	Part 1	Preliminary	
1	None		
2			

Item number	Amendment	Issue	Feedback
	Part 2	Amendment of National Gas Law	
3	4- (1), Section 2(1)	AER gas market advisory and reporting functions definition	The use of the words "...as the AER thinks fit..." is too broad and provides AER with too much latitude. APLNG's preference is for these functions to be drafted in the Law.
4	4- (1), Section 2(1)	Definition of "gas market"	APLNG suggests this definition is narrowed: 1) to change "processable" to "processed" because gas that is not saleable should not be included in the market, and 2) to limit the definition to just the Australian gas market with the addition of "including liquified natural gas <u>which can be regassed to access the domestic market</u> ...".
5	4- (1), Section 2(1)	Definition of "natural gas industry"	This definition is too broad as it would include the worldwide gas business and suggests the addition of "including liquified natural gas <u>which can be regassed to access the domestic market</u> ...".
6	7 - Chapter 2 Part 1	Division 5A, 64A Making of price information orders	It's not clear why a standard consultative procedure is the preferred method for the AER to implement its gas market advisory and reporting functions. This was not discussed in the RIS. It is more subjective and provides more discretion than indicated in the RIS. APLNG would like to understand the reasoning.
7	11 – Chapter 2 Part 6	Division 4, 91D New (2) (f)	The GSOO "must contain an assessment of whether or not the east coast gas market may experience a shortfall in the next 5 years", to have one source for a possible trigger to the Australian Domestic Gas Security Mechanism.
8	12 – Chapter 2 Part 6	Division 4, 91DA, (2) (b) AEMO's obligation with GSOO	AEMO's proposed function "to collect and collate other information in relation to the natural gas industry" is too broad. Any "other information" should be detailed specifically or sub-section (b) should be removed.

13. National Gas Regulations Amendments

Item number	Amendment	Issue	Feedback
	Part 1	Preliminary	
1	None		
2			
	Part 2	Variation of National Gas (South Australia) Regulations	
3	None		
4			

14. National Gas Rules Amendments

Item number	Amendment	Issue	Feedback
	Part 15B	Procedures	
1	135EA	(6)	APLNG suggests replacing the word “may” in the first sentence with the word “must” to be more definitive. If the requirements of the GSOO are to be mandatory, the matters to be included should be definitive.
2			
	Part 15D	Gas statement of opportunities	
3	135KB	(1) (a) “drilling activities and exploration expenditure”	APLNG suggests that “number of wells drilled and type of wells” would be a more specific and relevant description rather than “drilling activities”. As discussed in response to number 12 above, the publication of annual drilling expenditures will not assist with market transparency and market efficiency in APLNG’s view.

Item number	Amendment	Issue	Feedback
4	135KB	(1) (i) factors that affect the volumes	Operators of these types of facilities most likely embed planned and unplanned outage estimates and unaccounted for gas into their annual forecast. As a result, this sub-rule is not required and provides unnecessary detail that will not assist with market transparency.
4.1	135KG	(3) (b) maintain any equipment from which information is derived	This phrase is too broad. APLNG requests for the specific equipment being referred to be specified.
4.2	135KG	(4) (ii) represents the best forecast or estimate possible in the circumstances.	APLNG suggests adding words to the effect of “taking into account the unknowns attributed to all governmental approvals, reservoir performance, facility reliability, and macroeconomics.”
	Part 17	Miscellaneous provisions relating to the AER	
5	140A	(1) Standard consultative procedure	A standard consultative order is not an appropriate method for the AER to propose a price information order. The time for consultation is under this current process and not for each order.
6	140A	(2) (a) through (d)	<p>If this legislation is enacted, the specific price information order and which gas price series should be included should be at the AER’s discretion, however they should be at known intervals/timeline (not at intervals to be determined by the AER) as market participants need a lead time to prepare for this time consuming process. Also, the right to publish or not publish the price series, should be determined by the current drafting of the NGRs, not at the AER’s discretion. Even with its limitation, as noted in response to number 8 above, APLNG supports the LNG netback series as the most accurate and forward-looking price reference. However, if the AER should determine that multiple price series should be published, APLNG suggests the series should be published only for so long as there is a perceived lack of transparency in the market.</p> <p>In addition, APLNG offers the following related comments:</p> <p>(a) Publishing gas price assumptions used by BB reporting entities for reserves and resource estimates could place producers at a competitive disadvantage. It is not clear to APLNG how this was considered a perceived deficiency of market transparency in the RIS and APLNG does not support these prices being reported and/or published. The current drafting of the Rules has given oversight of reserve prices to the AER.</p>

Item number	Amendment	Issue	Feedback
			<p>(b) LNG netback price should be at known locations i.e. Wallumbilla/Moomba to support a reference price per the Gas Market Vision, and not determined by the AER.</p> <p>(c) Is the publication of these prices for transactions for one year or longer or could there be overlap with the AEMO short-term gas transactions?</p> <p>(d) APLNG questions if the AER's price reporting information should include the same detail as the short-term gas transaction information as per NGR 141 (2B)?</p>
6.1	140A	5(b) definition of "long term GSA" wording	The definition wording in sub-section (b) should be clarified. Wholesale long-term GSAs should include "the natural gas sold to a wholesale party (other than a residential customer within the meaning of the National Energy Retail Law or a business customer...)". The gas would not need to be delivered nor should it be impacted by a non-scheme pipeline.
	Part 18	Natural Gas Services Bulletin Board	
7	141	(1) BB compression facility definition	For clarity, APLNG suggests the compressor facilities to be included in this definition should be listed by name to avoid the use of "designated" or "stand-alone".
8	141	(1) BB short term gas transaction definition	Should reference wholesale transactions only.
8.1	141	(1) Contracted reserves definition	Production, not reserves are contracted. APLNG suggests changing this definition to "contracted production" or changing the definition to "means the total quantity of production related to reserves...". Also, it should include reserves (or production) to be supplied or purchased.
8.2	141	(1) Daily capacity definition	<p>APLNG does not understand the difference between daily capacity and nameplate rating.</p> <p>Under sub-section (d) for a compression service facility, APLNG suggests this definition include only BB compression facilities.</p>
8.3	141	(1) (4) unrelated parties	It's unclear to APLNG why "related party transactions" are excluded from reporting requirements under "BB short term gas transactions".
8.4	141	(2) Gas storage facility definition	Per item 24, reporting APLNG LNG tank levels will not assist the domestic market as these tanks are not connected to the domestic market and this LNG cannot be re-gassed. APLNG suggests the definition of gas storage

Item number	Amendment	Issue	Feedback
			facility be amended to “means a storage facility for storing natural gas (including LNG) for injection into a pipeline accessing the domestic market.”
8.5	141	(1) LNG shipment data definition	<p>Per response to numbers 8 above and 8.20 and 8.21 below, APLNG suggests this definition be amended to “LNG shipment data means: (a) in relation to a <u>spot</u> shipment of LNG from an LNG export facility. In addition, section (iv) of this definition indicates the data should be reported when the shipment is delivered, whereas (v) indicates that the price should be free on-board (FOB). APLNG suggests that the cargo price should state whether it is FOB or DAT. Requiring all cargos to be reported based on FOB could mean that actual shipping information is not available by the required reporting timeline and could cause discrepancies due to varying ship chartering arrangements.</p> <p>In (v), APLNG cannot locate the Australian dollar conversion methodology in the BB Procedures Version 10.0.</p>
8.6	141	(1) LNG transaction definition	<p>As per response to number 8.4 above, APLNG suggests this definition be amended to “LNG transaction means a <u>spot</u> gas supply transaction, where a spot gas supply transaction for LNG is defined as a one-time transaction or delivery of specific quantity of LNG at a specific location (as per the ACCC’s definition).” In APLNG’s view this should apply irrespective of the parties to the transaction.</p>
8.7	141	(1) Material change definition (c) and (d) only	<p>As per response to number 45 above, APLNG has issues with the change to “lesser of” and the impact on its reporting obligations. A 30 TJ movement is less than 2% of the daily capacity of APLNG’s main transmission line and APLNG continues to absorb production swings from its many production facilities into this mainline pipeline to ensure deliveries into the domestic market remain steady. If this is changed to “lesser of”, APLNG does not see any benefit in being required to report swings greater than 30 TJ possibly multiple times a day when these swings only affect APLNG’s LNG facility and not the domestic market.</p> <p>APLNG also notes the change to the definition of “materiality” was supposed to be part of Option 4, not Option 3. It’s not clear why it is included in the NGR drafting, which is directed towards Option 3.</p>

Item number	Amendment	Issue	Feedback
8.8	141	(2B)(h) transaction price	APLNG suggests more definition is needed around how to determine assumed AUD\$/GJ transaction price based on trades occurring that are Brent, JCC and/or JKM price linked. This should include the data source for the commodity, foreign exchange conversion and the date the conversion is based on – date of trade or actual dates as delivered per the contract.
8.9	149	New (2) (e)	As one of the largest customers and payer of the AEMO fees, APLNG requests a new (e) to include – “a budget for the review period and estimated allocation to participating groups.”
8.10	152B	(b) satisfying the criteria	The drafting is unclear. APLNG suggests the criteria should be different for a proposed and a committed development. For a committed development, APLNG suggest it should be “20 days after the facility development first satisfies <u>all</u> the criteria in the Bulletin Board Procedures...”. APLNG believes the criteria for proposed development projects should be Advanced, Maturing, Emerging, and Publicly Announced only (as per the middle of Box 7.2 of consultation document) as these are the differentiators from a committed project.
8.11	168	3 (b) and (4) reporting frequency	Nameplate capacity does not change frequently, thus APLNG suggests that 3(b) is not required as (4) will pick up all changes.
8.12	171	(2) (a) a thing to be classified and (b) BB Procedures	(a) APLNG suggests replacing the words “a thing” with the words “reserves and resources”. (b) APLNG is unaware of the classification criteria to be included in the Bulletin Bboard Procedures, nor when they might be applicable. APLNG does not agree with any classifications for reserves other than SPE-PRMS, as this could lead to inconsistencies. APLNG suggests deleting sub-section (b).
8.13	171B	(2) (b) likely timing for production of 2P & 2C	(b) APLNG does not agree with reporting the likely timing for production of 2P and 2C as it is not a PRMS requirement and varies significantly from year to year, based on drilling activity, well performance and contractual commitments. APLNG does support this type of information being included in the GSOO on an anonymous basis as an indication of adequate supply.
8.14	171B	(3)	APLNG does not support the requirement to report changes in 2P reserve estimates due to changes in gas price assumptions because it triples the

Item number	Amendment	Issue	Feedback
			work for producers for not much impact as a large percentage of 2P reserves are contracted and thus small changes in gas prices do not impact these estimates.
8.15	171B	4 (c) key economic assumptions and source	There is no PMRS requirement to report key economic assumptions or source and this information could undermine APLNG's competitiveness. At a minimum, it should not be published.
8.16	171B	(5) (a) and (b)	To limit duplications, APLNG suggests aligning the reporting dates with DNRME or ASX reporting.
8.17	171C	(1) Retain independent professional	The reasons/criteria for the AER requiring a BB reporting entity to retain an independent professional for an audit should be listed in the Rules.
8.18	181	(1) Exclusion for BB large user facilities	APLNG understands the reasons for excluding large user facilities from the short-term capacity outlook, however large users should be required to report, at a minimum, medium-term capacity outlooks to avoid information deficiencies in the market. APLNG would like to understand accurate monthly demand expectations for the entire market.
8.19	182	(2) Storage reporting	As per response to number 24 above, APLNG does not agree LNG export facilities should be required to report LNG storage tank levels and suggests the definition of "gas storage facility" should be amended as per number 8.3 above and the additional phrase should be removed.
8.20	188	(1) (a) and (b)	As per response to number 24 above, APLNG does not agree LNG export facilities should be required to report LNG tank levels and suggests the definition of "gas storage facility" should be amended as per number 8.3 above.
8.21	190CA	(3) – (4) Reporting of trades	Depending on AEMO's view of "as soon as reasonably practicable on the trade date", sub-rule (4) should be expanded to include transactions on the trade date and the day before the trade date, as both have the obligation to provide the information on the trade date. It's unclear how often publication will occur under 195C.
8.22	190CB	(1) LNG shipment data	As per APLNG's responses to numbers 8, and 24 above (plus 8.4 and 8.21 in the Rules), this should be limited to reporting spot LNG information only. In addition, requiring all trades to be reported 20 business days after loading may not provide enough time to receive and allocate final shipping costs for

Item number	Amendment	Issue	Feedback
			DAT cargos as shipping costs are only finalised after the delivery date at earliest and can vary based on ship charter arrangements. APLNG has suggested the language be modified to be 30 business days after the end of the month in which the LNG is delivered (not loaded) and that trades be reported either FOB or DAT, as actually sold.
8.23	194	New (2) (d)	APLNG suggests a new clause that AEMO must not "...publish information on the gas price assumptions used by each BB reporting entity in determining their reserves unless it is published in an aggregate and anonymised form in accordance with this rule."
8.24	195	(1) Publishing frequency	APLNG assumes that based on requirements of 190CB that publishing will be daily? If so, possibly this needs to be included in sub-rule (1).
8.25	195C	(4) Aggregation methods	<p>Assume publishing will be daily per sub-rule (1), APLNG appreciates the difficulties in attempting to aggregate and anonymise the information. APLNG has numerous questions about the aggregation levels and views this as a critical issue for why publishing of short-term gas transactions with the detail assumed in section 141 (2B) may not assist the market with transparency and market efficiency. Among others, some of APLNG's questions include:</p> <ul style="list-style-type: none"> ○ Will transactions lasting one day be aggregated with trades that last 364 days? ○ How will transactions with high volume flexibility be aggregated with low flexible transactions? ○ How will AEMO aggregate transactions with multiple delivery locations? ○ How will an indexed transaction price be reported – each day as the index moves or as of the trade date? ○ Will AEMO make adjustments for transactions delivered at different locations (basis differentials) and delivery pressures (which may or may not be incorporated into the price of the transaction depending on who provides the compression services)? ○ It's unclear to APLNG why "related party transactions" are excluded from reporting requirements under "BB short term gas transactions".
8.26	195 NEW	LNG transaction reporting	There does not seem to be an obligation to publish the LNG transactions.

Item number	Amendment	Issue	Feedback
	Part 18A	Compression and storage terms and prices	
9	198H	(3) Exemptions	<p>APLNG has several questions about facilities that may require an exemption and suggests additional criteria may need to be applied or more clearly drafted. Questions include:</p> <ul style="list-style-type: none"> ○ Does APLNG need to apply for a separate exemption for compression facilities which already form part of its pipeline licence exemptions? ○ As to the response to number 24, APLNG does not support reporting its LNG tank levels. APLNG's LNG storage is not a third-party access facility, but it has been specifically identified. This should be clarified.