

Measures to Improve Transparency in the Gas Market

**Guide to the package of draft changes to the
legal and regulatory framework**

COAG Regulation Impact Statement for
consultation

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1. Overview of Attachments A1 to A3

1.1 Introduction

The options in the Consultation Regulatory Impact Statement (**RIS**), if implemented, will require changes to the National Gas Law (**NGL**), National Gas Regulations (**Regulations**) and the National Gas Rules (**NGR or Rules**).

To inform stakeholders about how the measures outlined in the Consultation RIS could be implemented if adopted, a package of draft amendments has been prepared and is set out in Attachments A1 to A3. The package of amendments assumes that for each measure discussed in the Consultation RIS, Option 3 will be implemented.

This Attachment provides a guide to the package by summarising the key changes to the legislative and regulatory framework and mapping them to the recommendations covered by Option 3 in the Consultation RIS.

1.2 Measures proposed under Option 3

Option 3 in the Consultation RIS provides for implementation of all the ACCC-GMRG and AEMC recommendations. The recommendations are set out in the following table.

Sector	Recommendation
Gas, LNG and infrastructure prices	<ul style="list-style-type: none">▪ Require short-term off market GSAs to be reported on an aggregated basis. (ACCC-GMRG Recommendation 9)▪ Require the AER to publish a forward looking long-term GSA producer and retailer price series. (ACCC-GMRG Recommendations 8 and 10)▪ Require information on the key drivers of gas prices to be published (i.e. AEMO to publish production cost estimates (ACCC-GMRG Recommendation 4) and the AER to publish an LNG netback price series (ACCC-GMRG Recommendation 8).▪ Require LNG export prices to be reported (Part of ACCC-GMRG Recommendation 15).▪ Require storage facility and stand-alone compression facility operators to publish standing prices and information on the prices actually paid for primary capacity (ACCC-GMRG Recommendation 14).

Sector	Recommendation
Supply and availability of gas	<ul style="list-style-type: none"> ▪ Require holders of gas reserves and resources to report on: <ul style="list-style-type: none"> – the reserves and resources information set out in Table 3.3 of the Consultation RIS on the BB in accordance with the ACCC's reporting framework (ACCC-GMRG Recommendation 1); – their drilling activities (i.e. the number of exploration, appraisal and development wells drilled in the last 12 months) and the amount spent on these activities to AEMO for publication in the GSOO (ACCC-GMRG Recommendation 3); and – the volume of gas contracted under existing GSAs (at a basin level) through the GSOO (ACCC-GMRG Recommendation 2). ▪ Require LNG import facility operators (if any facilities are developed) to report on (ACCC-GMRG Recommendation 16): <ul style="list-style-type: none"> – the volume of LNG imported in each shipment; and – the facility's nameplate rating and other detailed facility information, the short- and medium-term capacity outlook; nominations (including any material intra-day changes in nominations), the forecast use of the import facility; the amount of gas supplied into the market.
Demand for gas	<ul style="list-style-type: none"> ▪ Require large users to report information on nameplate capacity and daily actual gas consumption to AEMO for publication on the Bulletin Board (with information on actual gas consumption to be published on a day after basis) (Part of AEMC Recommendation D). ▪ Require LNG export facility operators to report information on nameplate capacity; the facility's short- and medium-term capacity outlook (including material intra-day changes in capacity); and the amount of gas supplied to the facility on a daily basis (Part of AEMC Recommendation D). ▪ Require LNG export facility operators to report on LNG shipments (i.e. departure date, volume of LNG exported and the contract duration for cargoes) (Part of ACCC-GMRG Recommendation 15).
Infrastructure	<ul style="list-style-type: none"> ▪ Require entities developing new transmission pipelines, production, stand-alone compression, storage or LNG facilities, with a nameplate capacity of 10TJ or more, to provide AEMO with information on the developments for publication on the BB if they are assessed as falling within the meaning of a 'proposed' or 'committed' development (ACCC-GMRG Recommendation 5). ▪ Require operators of storage and stand-alone compression facilities to publish a 36-month outlook for uncontracted capacity on the BB. Also require production facilities providing third party access to publish a 36-month uncontracted capacity outlook. (ACCC-GMRG Recommendation 6). ▪ Require storage facility and stand-alone compression facility operators to provide a list of users with contracted capacity to AEMO for publication on the BB (ACCC-GMRG Recommendation 7).

1.3 Current legislative and regulatory framework

Many of the measures in Option 3 build on two frameworks already in place under the NGL and NGR – the Natural Gas Services Bulletin Board (**BB**) and the Gas Statement of Opportunities (**GSOO**).

1.3.1 Natural Gas Services Bulletin Board

The BB is a web-based information service maintained by the Australian Energy Market Operator (**AEMO**). Gas industry participants are required to register with AEMO to provide information about their facilities, services and secondary capacity transactions. AEMO processes the information and publishes it on the BB.

The legal framework for the BB comprises the following:

- The NGL specifies the functions of AEMO in relation to the BB, lists the classes of persons who may be required under the NGR to give information to AEMO for the BB, specifies the classes of information that the NGR may require to be provided and provides for compliance and immunities.¹
- Part 18 of the NGR provides for registration of reporting entities, the information standards and specifies the information to be provided by each category of reporting entity.
- Transitional rules in Schedule 3 of the NGR extend the scope of the BB to compression facilities that are required to make their contracted but un-nominated capacity available in the day ahead auction established under Part 25 of the NGR.
- AEMO makes BB Procedures under the NGL, in accordance with the NGR. The BB Procedures detail the registration process, the process for providing information to AEMO and the time and content of the information to be provided for the BB.

1.3.2 Gas Statement of Opportunities

The GSOO is published by AEMO each year. The GSOO provides information about gas supply and demand and related matters over the medium and long term to assist industry participants and others in making informed decisions about investment in the natural gas industry.

The legal framework for the GSOO comprises the following:

- The NGL describes the scope and content of the GSOO and requires AEMO to publish the GSOO.² The NGL also includes a framework for AEMO to issue notices requiring information to be given to it for AEMO's functions, including the GSOO. The framework has not been used by AEMO for the GSOO and instead, AEMO has relied on a voluntary survey.
- Part 15D of the NGR provides more information about the matters that must be included in the GSOO.

1.4 Overview of changes

If Option 3 in the Consultation RIS is adopted, the following changes to the legal and regulatory framework will be required.

- The BB provisions will need to be expanded to require information from new categories of reporting entities and to expand the information that must be provided.

¹ NGL Chapter 7.

² NGL sections 91D and 91DA.

- The GSOO process will be strengthened by allowing AEMO to conduct a mandatory GSOO survey in accordance with the NGR and provide for AEMO to make new GSOO Procedures to support the GSOO survey process.
- A new Part 18A will be added to the NGR to provide for publication of information about standing offers by compression and storage service providers.
- The AER will have a new function to publish information about prices in gas markets and new powers to collect the information it needs for that purpose by issuing a price information order. Part 17 in the NGR will specify the prices series to be published by the AER and provide for the AER to publish guidelines describing how the gas price series is calculated.
- The AER will have a new function to monitor and review the performance of gas markets and provide advice on gas market performance to Ministers or the AEMC.
- Consequential changes will be made to Part 15A of the NGR, which deals with the content of AEMO Procedures. AEMO will develop the new procedures and amendments and consult in accordance with the process in the NGR.

The following table provides a high level overview of the legal and regulatory package.

Overview of changes to the legal and regulatory framework

Instrument	Change
NGL	Changes to the NGL are required to: <ul style="list-style-type: none"> ▪ expand the scope of the Bulletin Board to provide for the collection of information about gas reserves and resources, gas sales, compression services, LNG exports and imports, the use of gas and proposed new facility developments; ▪ extend the list of persons required to provide information for the Bulletin Board to include those with an interest in a petroleum tenement, the operators of LNG processing facilities, LNG importers and exporters, the operators of large user facilities, sellers under gas sale agreements and facility developers; ▪ allow rules to be made to require the operators of compression service facilities and storage facilities to provide information about standing prices and actual prices; ▪ require AEMO to make GSOO Procedures and require producers, facility operators and project developers to give AEMO information for the GSOO; ▪ give the AER a new function to monitor and review the performance of gas markets and provide gas market analysis to Ministers and the AEMC; ▪ give the AER a new function to publish gas price information and new powers to publish an instrument requiring information to be provided to the AER that is used in preparing the gas price information; and ▪ allow the Minister to make the initial NGR to implement the reform package.
Regulations	Changes to the Regulations are required to: <ul style="list-style-type: none"> ▪ extend the liability caps to persons providing information for the GSOO; and ▪ update the list of civil penalty provisions and conduct provisions.

Instrument	Change
NGR	<p>Changes to the NGR are required to:</p> <ul style="list-style-type: none"> ▪ bring LNG facilities, some compression service facilities and large user facilities within the scope of Part 18 as 'BB facilities' and require the facility operators to register with AEMO under Part 18; ▪ bring natural gas fields for which a petroleum tenement has been granted within the scope of Part 18 and require each person with a net revenue interest in the petroleum tenement to register with AEMO under Part 18; ▪ specify the information that must be provided to AEMO for the new categories of BB facility and for BB field interests and the reporting standards and classification systems for information relating to BB fields; ▪ specify information to be given to the AER about price assumptions used for reserves and resources estimates and give the AER specific monitoring powers in relation to those estimates; ▪ specify the information that must be provided to AEMO about LNG import and export transactions; ▪ define short term gas sale transactions, identify who must provide information to AEMO about the transactions and specify the information to be provided; ▪ identify who must provide information to AEMO about proposed new BB facilities, the information that must be provided and provide for AEMO to publish guidance as part of the BB Procedures about how to assess the development stage of a project; ▪ extend the forward time frame for uncontracted capacity outlooks for existing BB facilities from 12 to 36 months; ▪ require storage providers to provide information about primary storage capacity; ▪ provide for AEMO to aggregate data about short term gas transactions and the sensitivity of 2P reserves estimates to changes in gas prices prior to publication on the Bulletin Board and to delay publication of some of this information; ▪ include a new Part 18A providing for compression service providers and storage providers to publish information about standing terms and actual prices; ▪ amend Part 17 to specify the gas price series to be published by the AER; and ▪ amend Part 15D require producers to give AEMO information it needs for the GSOO under the new GSOO Procedures and through the GSOO survey process.

1.5 Incidental changes to Part 18

Other incidental changes to Part 18 are also proposed as follows: -

- Removing references to the gas day for a facility in the definition of 'daily capacity', which is no longer required due to gas day harmonisation.
- Clarifying the treatment of cushion gas in a storage facility by defining 'storage cushion gas' and amending rule 188(1)(c).
- Changes to use references to 'D', 'D+1' etc. consistently in Part 18. It is intended that D is used to refer to the gas day for which information is provided (or the start of a period of days) and D-1 or D+1 are used to specify whether it is provided before or after the day.
- Amending the 'purpose' statement in rule 145 to include a reference to information 'relating to the natural gas industry', consistent with the proposed changes to Chapter 7 of the NGL.

- Extending the nameplate rating information for an LNG onshore facility in rule 168(2C) to include the number of trains for the facility.
- Amending the materiality threshold in Part 18 from the greater of 10% of the nameplate rating and 30 TJ to the lesser of 10% of the nameplate rating and 30 TJ.

1.6 Measures proposed under option 3

The remainder of this attachment is structured as follows:

- Section 2 provides an overview of the changes proposed to the NGL and Regulations.
- Sections 3-6 map the change to the NGR to the measures proposed for Option 3, grouped by sector in the same manner as the Consultation RIS.

2. Changes to the National Gas Law and Regulations

2.1 Introduction

This section describes the changes to the NGL that would be required to implement Option 3. An exposure draft Bill and exposure draft Regulations giving effect to these changes are in Attachments A1 and A2.

2.1.1 Amendments to expand the scope of the BB

To implement Option 3, the NGL would be amended to allow Rules made for the BB to require any person with information in relation to the natural gas industry to provide it to AEMO for the BB. In the draft Bill in Attachment A1, this is implemented through the replacement of current sections 223 and 223A and new or amended definitions including “natural gas industry”, “natural gas industry facility” and “user facility”.³

The new term “natural gas industry” would be defined broadly to include activities and transactions relating to:

- processable gas;
- transportation capacity and transportation services;
- natural gas (including liquefied natural gas) and natural gas services; and
- natural gas industry facilities.

The new term “natural gas industry facility” would cover:⁴

- facilities used by, or providing services to, the natural gas industry - gas processing facilities, pipelines, compression service facilities, storage facilities and LNG import facilities; and
- facilities that consume large quantities of gas, covering LNG export facilities and other facilities such as gas fired power stations, facilities that convert natural gas to compressed natural gas for transport and industrial users who use the gas as feedstock.

The NGL would also give specific examples of the activities for which Rules may be made, and the persons who may be required to provide information for the BB. Under proposed new section 223(2)(a), activities and transactions covered by Rules made for the BB may include:

- gas exploration, recovery and processing;
- the grant, disposal or use of transportation capacity or transportation services (including primary capacity transactions and secondary capacity transactions);

³ Clause 16 of the draft Bill substitutes a new section 223. Clause 4 inserts the new definitions.

⁴ Under clause 5 of the draft Bill, a consequential change will be made to section 10, under which multiple service providers for a facility may nominate one of their number for compliance purposes, to extend its operation to service providers for all categories of natural gas industry facilities.

- the transportation, allocation, delivery, supply, use, consumption, import or export of natural gas (including liquefied natural gas), including any gas supply transaction; or
- the development, construction, commissioning, use or operation of natural gas industry facilities.

Under proposed new section 223(2)(b), persons who may be required to provide information for the BB include:⁵

- a transportation service provider;
- a transportation facility user;
- a person who determines the allocation of deliveries or receipts of natural gas;
- a producer;
- a storage provider;
- a trader;
- a person who owns or controls an interest in a right to explore for, appraise, extract, recover or process petroleum;
- a compression service provider;
- an LNG facility operator;
- a person who owns, controls or operates a facility that involves the consumption of natural gas (other than a facility for gas production, storage or compression);⁶ and
- a person undertaking or proposing to undertake (directly or indirectly and alone or with others) a project for the development or expansion, or for the proposed development or expansion, of a natural gas industry facility.⁷

Consequential amendments would also need to be made to the powers of the AEMC to make Rules for the BB⁸ and to the definitions of “Bulletin Board information” and “Natural Gas Services Bulletin Board”,⁹ in AEMO’s BB functions in section 219¹⁰ and in item 56 of Schedule 1.¹¹ The definition of “storage provider” would also need to be amended to be clear that it extends to storage for processed gas and LNG.¹²

2.2 Publication of standing offer information

The ACCC-GMRG recommendations provide for the operator of a compression service facility or storage facility to publish information about the facility, the terms on which services are offered and pricing. Similar obligations already apply to the operators of non-scheme pipelines under Part 23 of the NGR, as provided for in section 83A of the NGL.

⁵ Proposed new section 223(2)(b) is inserted by clause 16 of the draft Bill.

⁶ Defined in the draft Bill as a “user facility”; clause 4(15) of the draft Bill.

⁷ Defined in the draft Bill as a “facility developer”; clause 4(4) of the draft Bill.

⁸ Refer to clause 9(1) of the draft Bill.

⁹ Clauses 4(2) and 4(10) of the draft Bill.

¹⁰ Clause 15 of the draft Bill.

¹¹ Clause 19(3) of the draft Bill.

¹² Clause 4(14) of the draft Bill.

To implement this recommendation a new section would need to be included in the NGL, proposed to be section 83AA.¹³ It is proposed that the new section closely mirrors section 83A, but omits subsection (2)(e) because it is not relevant to compression facilities and storage facilities.

2.3 Updating the GSOO provisions

To implement the GSOO related recommendations, the GSOO framework in the NGL would need to be amended to provide, in terms similar to the BB provisions, that a person required by the NGR to provide information to AEMO for the GSOO must do so.¹⁴ The obligation would be classified in the Regulations as a civil penalty provision.¹⁵ The NGL would also give immunity to a person providing information for the GSOO in terms similar to the BB provisions¹⁶ and the Regulations would support this by specifying a liability cap.¹⁷

It is proposed that the NGL would allow AEMO to make GSOO Procedures in accordance with the NGR to govern the GSOO survey process and the form of survey.¹⁸ Under the NGR, AEMO would therefore be required to consult when it determines the initial form of the Procedures and when changes are proposed.

Consequential amendments would be required to the functions of AEMO in section 91DA, to include new definitions of “GSOO information” and “GSOO Procedures” and to extend the subject matter for the NGR in section 74 and Schedule 1.¹⁹

2.4 AER’s functions and powers – general gas market advice

To support the gas market reform process, from time to time the AER is asked to provide to the Energy Council and others information about the functioning of gas markets. The list of AER functions in the NGL does not currently include this role and it is proposed to include this as a new function.

To give effect to this, the NGL would need to be amended to extend the AER’s functions to monitoring of gas markets and reporting to the Energy Council (MCE) and the AEMC, but to leave the scope, nature and timing of market monitoring and reporting to the AER’s discretion. In the draft Bill, this new function is defined as the “AER gas market advisory and reporting functions”.²⁰

The term “gas markets” is proposed to be defined broadly so as to extend to markets for processable gas or natural gas (including LNG) or transportation capacity and to include

¹³ Clause 10 of the draft Bill.

¹⁴ Clause 13 of the draft Bill, which inserts proposed sections 91DB to 91DD.

¹⁵ Clause 6 of the draft Regulations.

¹⁶ Proposed section 91DE, inserted by clause 13 of the draft Bill.

¹⁷ Clause 5 of the draft Regulations.

¹⁸ Proposed sections 91DF to 91DH, inserted by clause 13 of the draft Bill.

¹⁹ Clauses 12, 4(7), 9(1) and 19(2) of the draft Bill. The reference to “pipeline capacity” in section 91D(1) is out of date and it is proposed to delete the reference in that subsection (clause 11 of the draft Bill).

²⁰ Clause 4(1) of the draft Bill inserts the new definition. Clause 6 adds the AER gas market advisory and reporting functions to section 27(1).

over-the-counter markets and the markets for gas and capacity established under the NGL.²¹

2.5 AER's functions and powers – gas price series

To give effect to the ACCC's recommendation that the AER publish an LNG netback and domestic gas price series, the NGL would need to be amended to:

- extend the functions of the AER to include the preparation and publication of gas price series in accordance with the NGR and the collection of information for that purpose; and
- give the AER power under the NGL to make an instrument requiring information to be provided to the AER for calculation of gas price series. The provisions would include a requirement for the AER to consult on an order before it is made, obligations to comply with the order and protections for those subject to an order.

It is proposed to implement these arrangements by inserting a new Division 5A in Part 1 of Chapter 2 of the NGL and by extending the AER's functions to include the "AER gas price reporting functions".²² The AEMC's rule making power would also need to be extended to include rules about gas price series to be published by the AER.²³

Consequential changes would allow the AER to use the information for any of its regulatory functions.²⁴

2.6 Confidentiality and aggregation

To ensure that the information obtained by the AER is treated as confidential and published in an aggregated form, a new provision would need to be included in the NGL. This provision would require information obtained by the AER from market participants for the performance of each of its new functions is treated as confidential, subject to Chapter 10 Part 2 Division 1, but otherwise to be disclosed only in aggregated form, including when disclosed to the Energy Council (MCE) and the AEMC.²⁵ It is proposed to include an immunity for the AER for inadvertent disclosure of information other than in aggregated form, similar to section 18E in the National Electricity Law.²⁶

2.7 Minister-made rules

The amendments to the NGR to give effect to the enhanced transparency package will be made as Minister-made rules. A new provision will therefore need to be included in the NGL that is broad enough to allow for the following:²⁷

²¹ Clause 4(5) of the draft Bill.

²² The new Division is inserted by clause 7 of the draft Bill. Related definitions are in clauses 4(1), 4(5) and 4(11) and the new AER function is inserted in section 27(1) by clause 6 of the draft Bill.

²³ Clause 9(2) of the draft Bill, inserting new section 74(1)(ab).

²⁴ Clause 8 of the draft Bill, inserting new section 66A.

²⁵ Clause 8 of the draft Bill, which inserts proposed new section 66B.

²⁶ Proposed new section 66B(4).

²⁷ Clause 18 of the draft Bill.

- Part 15B – changes for new matters to be covered in the BB Procedures and the new GSOO Procedures;
- Part 15D – changes for the GSOO survey rules;
- Part 17 – changes to allow for the specification of the gas price series to be published by the AER;
- Part 18 – changes to implement the BB measures referred to in these instructions and for changes that are incidental to, or consequential on, those BB measures; and
- Part 18 – changes to improve the operation of Part 18 identified as part of this process; and
- Part 18A – a new Part to deal with standing terms and price information for compression and storage.

2.8 Changes to the Regulations

To give effect to Option 3, the Regulations would need to be amended to designate new provisions in the NGL and the NGR as civil penalty provisions and to apply the liability cap arrangements to the provision of information for the GSOO.²⁸ Due to the close interaction between GSOO information and BB information, it is proposed that a person providing information to AEMO would have the benefit of a single \$20 million cap even if the information falls into both categories of information.²⁹

²⁸ The draft Regulations are in Attachment A2.

²⁹ Clause 5(4) in the draft Regulations, inserting a proposed new regulation 10(1a).

3. Gas, LNG and infrastructure prices

The tables in this section provide a guide to the changes to the NGR that would be required to implement the following recommendations relating to gas, LNG and infrastructure prices:

- Require short-term off market GSAs to be reported on an aggregated basis. (ACCC-GMRG Recommendation 9)
- Require the AER to publish a forward looking long-term GSA producer and retailer price series.(ACCC-GMRG Recommendations 8 and 10)
- Require information on the key drivers of gas prices to be published (i.e. AEMO to publish production cost estimates (ACCC-GMRG Recommendation 4) and the AER to publish an LNG netback price series (ACCC-GMRG Recommendation 8).
- Require LNG export prices to be reported (Part of ACCC-GMRG Recommendation 15).
- Require storage facility and stand-alone compression facility operators to publish standing prices and information on the prices actually paid for primary capacity (ACCC-GMRG Recommendation 14).

3.1 Short term GSA prices

Proposed approach to implementation	Key provisions in Part 18
Define the transactions to be reported, and those that are excluded from the reporting requirement.	New definitions of 'BB short term gas transaction', 'short term gas transaction' and 'excluded supply transaction'.
Define the information to be reported about a short term gas transaction.	New definition of 'short term gas transaction information' in rule 141(2B). Related definitions are 'gas seller' and 'supply period',
Require shippers to register for the BB and clarify that a shipper includes a party to an operational transportation service agreement.	Rule 158D and amendments to the definition of "shipper".
Identify who is responsible for providing the short term gas transaction information to AEMO.	Rule 190CA(1). For GSH transactions – amend rule 190E.

Proposed approach to implementation	Key provisions in Part 18
Provide for a person with a reporting obligation who is not registered under Part 18 to report using an agent if they wish to do so.	Extend rule 190D and change the term 'capacity transaction reporting agent' to 'transaction reporting agent'. A transitional rule will provide for the registration of existing capacity transaction reporting agents to continue using the new title 'transaction reporting agent'.
Provide for the time at which the information must be provided.	Rules 190CA(3) and (4).
Preclude AEMO from publishing party names.	Rule 195C(2).
Require AEMO to aggregate information before publication, specify the aggregation principles and provide for AEMO to determine the aggregation principles and publish an overview of the principles on the Bulletin Board.	Rules 195C(3) to (5).

3.2 Long term GSA price series producer and retailer price series

Proposed approach to implementation	Provisions in Part 17
Provide for the AER to publish the gas price series and guidelines about the methodology used.	Rule 140A.

3.3 Production cost estimates

Proposed approach to implementation	Provisions in Part 15D
Update the GSOO description in the Rules.	Rule 135KB(1).

3.4 LNG netback price series

Proposed approach to implementation	Provisions in Part 17.
Provide for the AER to publish the gas price series and guidelines about the methodology used.	Rule 140A.

3.5 LNG export prices

Proposed approach to implementation	Key provisions in Part 18
Refer to table 5.3 below.	Refer to table 5.3 below.

3.6 Storage and compression price information

Proposed approach to implementation	Provisions in Part 18A (new Part in Attachment A3)
Insert a new Part in the Rules dealing with the publication of standing offer information that will: <ul style="list-style-type: none"> ▪ specify the facilities and facility operators who are subject to the obligation; and ▪ specify the information to be published. 	Proposed new Part 18A, Divisions 1 and 2.
Include an exemption framework modelled on Division 6 of Part 23 and provide for the exemption of facilities that either: <ul style="list-style-type: none"> ▪ do not provide third party access; or ▪ are single user facilities. 	Proposed new Part 18A, Division 3.

4. Recommendations relating to supply

The tables in this section provide a guide to the changes to the NGR that would be required to implement for the following recommendations relating to supply and availability of gas:

- Require holders of gas reserves and resources to report on:
 - the reserves and resources information set out in Table 3.3 on the BB in accordance with the ACCC's reporting framework (ACCC-GMRG Recommendation 1);
 - their drilling activities (i.e. the number of exploration, appraisal and development wells drilled in the last 12 months) and the amount spent on these activities to AEMO for publication in the GSOO (ACCC-GMRG Recommendation 3); and
 - the volume of gas they have contracted under existing GSAs (at a basin level) through the GSOO (ACCC-GMRG Recommendation 2).
- Require LNG import facility operators (if any facilities are developed) to report on (ACCC-GMRG Recommendation 16):
 - the volume of LNG imported in each shipment; and
 - the facility's nameplate rating and other detailed facility information, the short- and medium-term capacity outlook; nominations (including any material intra-day changes in nominations), the forecast use of the import facility; the amount of gas supplied into the market.

The BB Procedures would also need to be amended to provide for matters such as the information to be provided to AEMO for registration of a field owner and BB field and to provide more information about the sub-classifications to be used when reporting project maturity and the reason for any movement in 2P reserves. AEMO would make these changes using the Procedures amendment process in the NGR. Consequential changes are needed to Part 15B as shown in Attachment A3.

4.1 Reserves and resources information

Proposed approach to implementation	Key provisions in Part 18
Bring interests in a natural gas field for which a petroleum tenement has been granted within the scope of Part 18.	New definitions of 'BB field interest', 'field', 'petroleum' and 'petroleum tenement'.

Proposed approach to implementation	Key provisions in Part 18
<p>Require each person with a net revenue interest in a petroleum tenement to register with AEMO under Part 18 in respect of its interest.</p>	<p>New definitions of 'field owner', 'field owner group', 'net revenue interest' and 'responsible field owner'.</p> <p>The entity will also be a 'BB reporting entity'.</p> <p>Insert a new Subdivision 3.2 to require registration of field owners and BB field interests.</p> <p>Make consequential amendments to Subdivisions 3.3 and 3.4 to provide for related matters such as changes to registration details, early registration and the registration process.</p>
<p>Allow a corporate group to nominate one entity to report on behalf of all group entities.</p> <p>Each person or corporate group with an interest in a tenement would need to register separately, so that these parties do not share the gas price assumptions used to estimate their reserves and resources.</p>	<p>New definitions of 'responsible field owner' and a new rule 155 for registration as part of a field owner group.</p>
<p>Require the tenement holder to give AEMO information about the field in which it holds an interest (e.g. information on the location of the field, the processing facility used to process gas from the field, the net revenue interest, the type of gas in the field and the nature of the gas field) on registration and once every 12 months after that.</p>	<p>Rule 171A(1) in subdivision 5.2.</p> <p>Insert a definition of 'basin' that allows AEMO to list the basins in the BB Procedures.</p>
<p>Require the tenement holder to give AEMO a range of reserves and resources information (e.g. 1P, 2P and 3P reserves broken down into developed and undeveloped reserves, 2C resources, movements in 2P reserves over the last 12 months, information on the development status of 2P reserves and 2C resources in fields that meet the materiality threshold) on registration and once every 12 months after that, or if there is a material change in the reserves and resources estimate.</p>	<p>Definitions such as '2C, 1P, 2P and 3P' and 'proved and probable reserves'.</p> <p>Rule 171B(1).</p>
<p>Provide for producers to provide AEMO with information on the sensitivity of their 2P reserves estimates to a +/-10% change in the gas price assumption, with the information to be published in an aggregated form.</p>	<p>Rule 171B(2) and 194.</p>
<p>Require the tenement holder to give AEMO a statement of the basis of preparation of the reserves and resources estimates.</p>	<p>Rule 171B(3)</p>
<p>Amend the BB information standard to make it relevant to reserves and resources reporting and set the standard by reference to relevant industry standards.</p>	<p>The BB information standard is in rule 165(2). Proposed new paragraph (b) applies to information or data relating to BB field interests.</p>

Proposed approach to implementation	Key provisions in Part 18
Specify that SPE-PRMS must be used for the classification of reserves and resources.	New definition of SPE-PRMS, and rule 171(1).
Specify that all reserves and resources information must be prepared by, or under the supervision of, a qualified petroleum reserves and resources evaluator.	Rule 171(5).
Specify that forecast economic conditions must be used when estimating reserves and resources.	Rule 171(4).
Specify the gas price assumptions to be used by producers when estimating their contracted and uncontracted reserves and resources and require the gas price assumptions used for uncontracted for to be verified by an independent qualified petroleum reserves and resources evaluator.	Rules 171(6) and (7)

4.2 Drilling activities and contracted reserves

Proposed approach to implementation	Key provisions in Parts 15A and 15D.
Provide more detail about the content of the GSOO.	Part 15D, rule 135KB.
Include new definitions to support the operation of the GSOO survey.	Part 15D, new definitions in rule 135K.
Include a provision requiring participation in GSOO surveys by BB reporting entities and the facility operators for remote facilities.	Part 15D, subrules 135KE (1) and (2) and the definition of 'GSOO reporting entity'.
Specify the information standard for responses to the GSOO survey.	Part 15D, subrule 135KG(3) and (4).
Provide for information for the GSOO to be collected through the GSOO survey. The GSOO Procedures will provide more detail about what can be requested, and will be the subject of consultation by AEMO.	Part 15D, new rule 135KF.
Specify the obligation to provide information in accordance with the GSOO Procedures.	Part 15D, new rule 135KG.
Specify matters to be included in the GSOO Procedures.	Part 15B, new rule 135EA(6) and Part 15D, rule 135KF(1).

4.3 LNG imports

Proposed approach to implementation	Key provisions in Part 18
Define the categories of information that must be provided for LNG import shipments.	Paragraph (b) of the new definition of 'LNG shipment data'.
Identify who is responsible for providing the LNG import data to AEMO.	Rule 190CB(2).
Provide for reporting using an agent.	Extend rule 190D. It is also proposed to change the term 'capacity transaction reporting agent' to 'transaction reporting agent'.
Specify the time by which the information must be provide, proposed to be the day after commencement of unloading.	Rule 190CB(2).

4.4 LNG import facilities

Proposed approach to implementation	Key provisions in Part 18
Refer to table 5.2 below.	Refer to table 5.2 below.

5. Demand for gas

The tables in this section provide a guide to the changes to the NGR that would be required to implement for the following recommendations relating to demand for gas:

- Require large users to report information on nameplate capacity and daily actual gas consumption to AEMO for publication on the Bulletin Board (with information on actual gas consumption to be published on a day after basis (Part of AEMC Recommendation D).
- Require LNG export facility operators to report information on nameplate capacity; the facility's short-and medium-term capacity outlook (including material intra-day changes in capacity); and the amount of gas supplied to the facility on a daily basis (Part of AEMC Recommendation D).
- Require LNG export facility operators to report on LNG shipments (i.e. departure date, volume of LNG exported and the contract duration for cargoes) (Part of Rec 15).

5.1 Large users

Proposed approach to implementation	Key provisions in Part 18
<p>Bring large user facilities within the scope of Part 18.</p> <p>A BB large user facility would be a user facility that meets the reporting threshold.</p> <p>In order to apply the reporting threshold in a consistent manner, it is proposed that the Rules will define 'user facility' by reference to the terms 'facility' under the National Greenhouse and Energy Reporting Act of the Commonwealth.</p>	<p>Add a new definition of 'user facility'.</p> <p>Specify the reporting threshold for user facilities in the 'reporting threshold' definition.</p> <p>Add a new definition of 'BB large user facility' and include it as a type of 'BB facility'.</p> <p>Add new definitions: 'daily consumption data', 'NGER Act'.</p> <p>Amend other definitions as required for the new provisions: 'daily capacity', 'daily consumption data', 'facility operator', 'material change', 'nameplate rating'.</p>
<p>Require the operator of a BB large user facility to register with AEMO under Part 18.</p>	<p>Define the facility operator for a BB large user facility in the 'facility operator' definition.</p>
<p>Provide for the transition in of existing BB large user facilities and their facility operators.</p>	<p>Add new definitions of 'Part 18 extension date', 'Part 18 extension facility' and 'Part 18 extension facility operator'.</p> <p>Amend rules 150(2) and 151(2) to specify the time by which registration must occur in relation to a Part 18 extension facility.</p>

Proposed approach to implementation	Key provisions in Part 18
<p>Amend the provisions describing information to be provided in relation to BB facilities in Division 5, to the extent required to deal with BB large user facilities separately from other facilities and so as to require:</p> <p>nameplate rating information</p> <p>detailed facility information</p> <p>daily consumption data (unless exempt).</p>	<p>Nameplate rating information: Amend the definition of ‘daily capacity’ in rule 141(1) and ‘nameplate rating’ in rule 141(2)(a). Rule 168 does not require further change.</p> <p>Detailed facility information: Rule 169(4)(b).</p> <p>Short term capacity outlook: Exclude BB large user facilities from rule 178(1).</p> <p>Medium term capacity outlook: Exclude BB large user facilities from rule 181(1).</p> <p>Daily consumption data: New rule 189 and the new definition of ‘daily consumption data’.</p>
<p>Provide for AEMO to exempt a BB large user facility from the obligation to provide daily consumption data, where (in summary):</p> <ul style="list-style-type: none"> ▪ the BB large user facility is the only recipient of gas withdrawn at the delivery points for the facility; or ▪ withdrawals are under 10TJ/day. <p>Details of the exemption application process are to be included in the BB Procedures.</p>	<p>Rules 189(3) to (8).</p>
<p>Exclude BB large user facilities from the obligations to provide a gas day start time and short term and medium terms capacity outlooks.</p>	<p>Gas day start time: Exclude BB large user facilities from rule 170(1).</p> <p>Short term capacity outlook: Exclude BB large user facilities from rule 178(1).</p> <p>Medium term capacity outlook: Exclude BB large user facilities from rule 181(1).</p>

5.2 LNG export and import facilities

Proposed approach to implementation	Key provisions in Part 18
<p>Bring LNG export and import facilities within the scope of Part 18 and ensure storage included in such a facility is included in the scope of Part 18 as a gas storage facility.</p>	<p>Add new definitions of ‘LNG export facility’ and ‘LNG import facility’. Provide that each of these is also an ‘LNG processing facility’.</p> <p>Provide for an LNG processing facility to be a type of ‘BB facility’.</p> <p>Add other definitions required for the new provisions: ‘daily consumption data’ and ‘liquefied natural gas’.</p> <p>Amend the definition of ‘gas storage facility’ so as to cover storage facilities within an LNG processing facility.</p>

Proposed approach to implementation	Key provisions in Part 18
Require the service provider for an LNG processing facility to register with AEMO under Part 18.	Include the LNG service provider for an LNG processing facility as a 'facility operator' in the definition in rule 141(1).
Provide for the transition in of existing LNG processing facilities and their facility operators.	Include LNG processing facilities in the new definition of 'Part 18 extension facility'. Amend rules 150(2) and 151(2) to specify the time by which registration must occur in relation to a Part 18 extension facility.
<p>Amend the provisions describing information to be provided in relation to BB facilities in Division 5, to the extent required to deal with LNG processing facilities separately from other facilities.</p> <p>Provide for the nameplate rating of an LNG processing facility to cover both:</p> <ul style="list-style-type: none"> ▪ the capacity of the pipeline connection; and ▪ the plant's processing capacity. <p>Provide for nominated and forecast use information and daily production data for LNG import facilities.</p> <p>Provide for daily consumption data to be provided for LNG export facilities.</p>	<p>Nameplate rating information: Amendments to the definition of 'daily capacity' in rule 141(1) and 'nameplate rating' in rule 141(2)(a).</p> <p>Detailed facility information: Include LNG processing facilities in rule 169(4)(b).</p> <p>Short term capacity outlook and material intra-day changes in capacity: No change required to rule 178 to cover LNG processing facilities.</p> <p>Medium term capacity outlook: No change required to rule 181 to cover LNG processing facilities.</p> <p>Nominated and forecast use of LNG import facilities: Include a reference to LNG import facilities in rule 185.</p> <p>Daily production and storage data: Include a reference to LNG import facilities in rule 188(1) and in the definition of 'daily production data'.</p> <p>Daily consumption data: Include a new rule 190 and provide for LNG export facilities in the new definition of 'daily consumption data'.</p>
<p>Provide for AEMO to exempt an LNG processing facility from the obligation to provide daily consumption data, where (in summary), the LNG processing facility is the only recipient of gas withdrawn at delivery points for the facility.</p> <p>Details of the exemption application process are to be included in the BB Procedures.</p>	Rules 190(3) to (8).
Exclude LNG processing facilities from the obligation to provide a gas day start time.	Rule 170(1).

5.3 LNG export shipments

Proposed approach to implementation	Key provisions in Part 18
Define the categories of information that must be provided for LNG export shipments.	Paragraph (a) of the new definition of 'LNG shipment data'.
Identify who is responsible for providing the LNG export data to AEMO.	Subrule 190CB(1).
Provide for reporting using an agent where the person required to report is not registered under Part 18.	Extend rule 190D. It is also proposed to change the term 'capacity transaction reporting agent' to 'transaction reporting agent'.
Specify the time by which the information must be provided, which will be 20 business days after the end of the month of export.	Rule 190CB(1).

6. Infrastructure

The tables in this section provide a guide to the changes to the NGR that would be required to implement the following recommendations relating to information about infrastructure:

- Require entities developing new transmission pipelines, production, stand-alone compression, storage or LNG facilities, with a nameplate capacity of 10TJ or more, to provide AEMO with information on the developments for publication on the BB if they are assessed as falling within the meaning of a ‘proposed’ or ‘committed’ development (ACCC-GMRG Recommendation 5).
- Require operators of storage and stand-alone compression facilities to publish a 36-month outlook for uncontracted capacity on the BB. Also require production facilities providing third party access to publish a 36-month uncontracted capacity outlook. (ACCC-GMRG Recommendation 6).
- Require storage facility and stand-alone compression facility operators to provide a list of users with contracted capacity to AEMO for publication on the BB (ACCC-GMRG Recommendation 7).

6.1 Infrastructure developments

Proposed approach to implementation	Key provisions in Part 18
Bring projects for the development of new facilities or the expansion of existing facilities within the scope of Part 18, when the project satisfies the criteria for being a ‘proposed’ or ‘committed’ development under the BB Procedures.	New definitions of ‘facility development project’ and ‘facility developer’.
Require the facility developer for a facility development project to register for the Bulletin Board and to register as the BB reporting entity for its facility development project.	New rules 152A to 152C. Amend the definition of “BB reporting entity”.
Provide for the transition in of existing facility development projects and their developers.	New rules 152A(2) and 152B(2).
Require the BB reporting entity for a facility development project to report information to AEMO about the project. The information is to be reported on registration and annually thereafter. The information must be updated if no longer accurate.	New rule 190F.

Proposed approach to implementation	Key provisions in Part 18
Provide for AEMO to publish the framework for assessing the stage of development as part of the BB Procedures.	Amend the list of matters to be included in the BB Procedures in Part 15B.
Specify the BB information standard for information about facility development projects.	Add a new paragraph (d) to the BB information standard in Rule 165(2).

6.2 36-month uncontracted capacity outlooks

Proposed approach to implementation	Key provisions in Part 18
Bring compression service facilities that meet the reporting threshold within the scope of Part 18.	<p>Define 'stand-alone compression service facility' by reference to the definition in Part 24 of the Rules. The term 'designated compression service facility' is defined in the NGL.</p> <p>Add a new definition of 'BB compression facility' to cover stand-alone and designated compression service facilities that meet the reporting threshold and include a 'BB compression facility' as a type of 'BB facility'.</p> <p>Specify the reporting threshold for compression service facilities in the 'reporting threshold' definition.</p> <p>Add other definitions required for the new provisions: 'compression delivery point', 'compression facility operator', 'compression receipt point'.</p>
Require the operator of a BB compression facility to register with AEMO under Part 18.	Include the compression service provider for a compression service facility in the 'facility operator' definition.
Provide for the transition in of existing compression service facilities and their facility operators.	<p>Include BB compression service facilities in the new definition of 'Part 18 extension facility'.</p> <p>New rules 150(2) and 151(2) specify the time by which registration must occur in relation to a Part 18 extension facility.</p>

Proposed approach to implementation	Key provisions in Part 18
<p>Amend the provisions describing information to be provided in relation to BB facilities in Division 5, to the extent required to deal with BB compression facilities separately from other facilities.</p>	<p>Nameplate rating information: Include new rule 168(2B), and amendments to the definition of ‘daily capacity’ in rule 141(1) and ‘nameplate rating’ in rule 141(2)(e). Detailed facility information: Amend rule 169(4)(b). Primary compression capacity: Insert new rule 173. Secondary trade data: Amend rule 174(1) and the new definition of ‘secondary compression facility’. Short term capacity outlook: No change required to rule 178 to extend it to BB compression facilities. Linepack adequacy indicator for all BB compression facilities: Amend ‘LCA flag’ and insert a new rule 180. Medium term capacity outlook: No change required to rule 181 to extend it to BB compression facilities. Nominated and forecast use of compression facilities: Insert new rule 184. Daily production and storage data: Include a reference to BB compression facilities in rule 188(1), and amend the definition of ‘daily production data’.</p>
<p>Amend the rules to extend the 12-month outlooks to 36 months.</p>	<p>Amend rule 177.</p>
<p>Provide for 36-month outlooks of uncontracted capacity in relation to BB compression facilities and BB production facilities. Define ‘uncontracted primary compression capacity’ and ‘uncontracted primary production capacity’ so as to include only capacity offered for sale.</p>	<p>New definitions of ‘primary compression capacity’ and ‘primary production capacity’. New definitions of ‘uncontracted primary compression capacity’ and ‘uncontracted primary production capacity’. New rules 176 and 177A.</p>

6.3 Stand-alone compression and storage facilities

Proposed approach to implementation	Key provisions in Part 18
<p>Amend the rules to extend the information provided by pipeline operators to both primary and secondary capacity and to require the operators of BB compression facilities and BB storage facilities to provide information about BB shippers with primary and secondary capacity.</p>	<p>Amend rule 172 and insert new rules 173 and 173A.</p>