



25 August 2023

Submission: AEMO Structure of Gas Participant Fees

The Australian Pipelines and Gas Association (APGA) represents the owners, operators, designers, constructors and service providers of Australia's pipeline infrastructure, connecting natural and renewable gas production to demand centres in cities and other locations across Australia. Offering a wide range of services to gas users, retailers and producers, APGA members ensure the safe and reliable delivery of 28 per cent of the end-use energy consumed in Australia and are at the forefront of Australia's renewable gas industry, helping achieve net-zero as quickly and affordably as possible.

APGA welcomes the opportunity to comment on the first stage of the Rules Change consultation process to determine the terms and fee structures to apply to gas Participant Fees, Pipeline Capacity Trading Exchange Fees and Auction Fees. Our comments relate specifically to section 4.7.4 of the consultation paper: options for participant fee structure for the ECGS Reform Program.

ECGS Reform Program fees should be consistent with the Gas Bulletin Board fees

Question 7

a. Which of the options above would be an appropriate fee structure for the ECGS Reform Program?

APGA recommends that Option 1 be pursued as an appropriate fee structure, for existing Registered Participants. This strikes an appropriate balance between simplicity, transparency and cost-reflectiveness.

b. Are there other options that should be considered?

APGA does not have a perspective on alternative fee structures.

Of the two fee structure options presented for the ECGS Reform Program, APGA advocates for the first option – a separate fee consistent with GBB fee structure approach.

APGA largely concurs with AEMO's options that the approach in Option 1 would provide a simple and transparent fee structure. Consistent with the current framework of the GBB, the costs are allocated equitably to both suppliers and consumers of gas.

Option 2, on the other hand, would require a new framework to be established and additional information from participants over and above what is already provided. The costs of reporting this additional information are not immaterial, and may in fact be over and above the costs to be recovered.

APGA notes that Option 1 should be implemented according to the existing Registered Participants for the GBB.

This is consistent with the position the APGA has previously outlined on liability to pay compensation in the event of directions by AEMO. APGA has advocated that pipeline operators being liable in this instance would be an inefficient cost recovery mechanism for the market and an inefficient outcome for end users.¹ This remains true for the fee structure for the ECGS Reform Program.

To discuss any of the above feedback further, please contact me on +61 422 057 856 or jmccollum@apga.org.au.

Yours Sincerely,



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¹ APGA, 2023, *Submission: AEMC Rule Change Request – Compensation and Dispute Resolution Frameworks* https://www.apga.org.au/sites/default/files/uploaded-content/field_f_content_file/230721_apga_submission_-_aemc_rule_change_request.pdf