



1 May 2024

Our Reference: APLNG - COR - 1048889

Luke Stevens
Australian Energy Market Operator
Level 12, 171 Collins Street
Melbourne VIC 3000

Via email to: GWCF_Correspondence@aemo.com.au

Dear Mr Stevens

Australia Pacific LNG Pty Ltd (**APLNG**) welcomes the opportunity to contribute to the Australian Energy Market Operator's (**AEMO**) consultation on the '*Proposed Procedure Change (PPC) – DWGM, ECGS and STTM Procedures changes for Gas Compensation Determinations*'.

APLNG is an incorporated company and one of the largest producers of natural gas in eastern Australia, delivering a reliable energy source to customers in Australia and Asia. We are the largest net contributor of gas supply to Australia's domestic east coast gas market, providing over 2,100 PJ of gas into the domestic market since the project was sanctioned.

We appreciate the efforts AEMO has taken to update the East Coast Gas System (**ECGS**) Procedures to reflect the *National Gas Amendment (Compensation and dispute resolution frameworks) Rule 2024*. While APLNG is generally supportive of the changes AEMO has made, we request that AEMO re-consider its positions in relation to:

1. the strategies AEMO may apply to determine a liable relevant entity's applicable share of the compensation funding amount.
2. the benchmark price for the supply of gas in Queensland.

On the first point, our submission proposes the introduction of an alternate strategy which allows AEMO to develop and employ any other strategy to apportion costs, provided the strategy is consistent with rule 707(11) of the National Gas Rules (**NGR**) and is subject to consultation prior to being implemented by AEMO. For example, where there are a small number of identifiable end users a "beneficiary-pays approach" should be adopted. This approach will promote a more equitable distribution of costs and lead to a fairer and more reasonable outcome for identifiable end users.

For the second point, APLNG is of the view that the Brisbane Short Term Trading Market (STTM) ex ante price is not an appropriate benchmark price for the supply of gas in Queensland when the supplier is not registered to participate in the Brisbane STTM. Instead, the Wallumbilla benchmark price should be applied in this situation. We have suggested minor drafting changes to the ECGS Procedures to reflect this position.

In addition to the above positions, APLNG's submission highlights areas where AEMO's documentation could be enhanced to help stakeholders (including AEMO) better understand and navigate the complexities of the compensation claim process. This includes, for example, providing greater clarity around AEMO's responsibilities under the NGR, defining what constitutes a valid notice of claim and outlining the factors AEMO will consider when appointing persons to the independent expert standing consultation panel.

Finally, we welcome AEMO's review into the ECGS directions issued for the Queensland Gas Pipeline incident and encourage AEMO, in consultation with stakeholders, to incorporate any relevant learnings from this review into the ECGS Procedures to ensure the framework is as robust as possible for future events. APLNG is happy to meet with AEMO to discuss our experience with the recent ECGS directions process to inform this review.

Should you have any queries relating to this submission or would like to meet to discuss our recent experiences, please contact Kieran Olsen, Compliance Manager – APLNG, on 0409 464 351 or via email at kieran.olsen@aplng.com.au or compliance@aplng.com.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Manda Goodwin', with a long horizontal flourish extending to the right.

Manda Goodwin
General Manager – Commercial
Australia Pacific LNG Pty Ltd