



5 July 2024

Our Reference: APLNG – COR –1049163

Karen Krist
a/General manager, Market Surveillance
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Via email to: AERGasMarketsPipelineCapacityTrading@aer.gov.au

Dear Ms Krist

Australia Pacific LNG Pty Ltd (APLNG) welcomes the opportunity to contribute to the Australian Energy Regulator's (AER) consultation on the '*Amendment of the Day Ahead Auction (DAA) Record Keeping Guideline – Draft decision*'.

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 consideration the AER has given to the feedback APLNG provided during the first round of consultation in May 2023. APLNG also welcomes the additional guidance provided by the AER to clarify reporting requirements and to give further context as to the purpose and goals of the amendments to the DAA Record Keeping Guideline. We consider the increased transparency will help facilitate better alignment between internal processes adopted by facility operators and transportation facility users (**shippers**) and the compliance outcomes the AER is seeking to achieve.

While APLNG is generally supportive of the proposed changes to the DAA Record Keeping Guideline, we would like to reiterate our previous position on two remaining issues.

1. APLNG considers that it is more appropriate for shippers to internally record names of, or unique identifier numbers of, individual record creators to ensure accountability without exposing individuals to liability or risk.
2. The proposed changes to the description field for material renominations will create a significant administrative burden for shippers, disproportionate to the benefit of the contemporaneous records to the AER.

APLNG believes that the proposed expansion of scope described in the draft DAA Record Keeping Guideline is inconsistent with rule 666(6)(b), particularly for shippers that are already complying with the existing DAA Record Keeping Guideline. We encourage the AER to consider the cost associated with compliance when amending the DAA Record Keeping Guideline, and either keep the existing description reporting field, or where the AER insists

on expanding the field, leaving individual shippers to determine the most appropriate level of detail, rather than setting onerously high standards in the associated guidelines.

These matters are further discussed in the response template at **Attachment A**.

Thank you, again, for the AER's consideration of our previous feedback on the proposed amendments to the DAA Record Keeping Guideline. Should you have any queries relating to this submission, please contact Kieran Olsen, Commercial Manager, on (07) 3021 3347 or via email at kieran.olsen@aplng.com.au

Yours sincerely

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

Manda Goodwin
General Manager Commercial



Attachment A – Response to the ‘Amendment of the DAA Record Keeping Guideline – Draft decision’

Draft amendment	Submission comments
General amendments that will impact routine requirements	
Clearer requirement for time to be expressed in a 24-hour format	No comment.
Amendments that will impact routine requirements – Transportation facility users (shippers)	
Clarification of the time when the event(s) or other occurrence(s) took place that led to the renomination (HHMM1) and the time when the shipper became aware of the event(s) or other occurrence(s) (HHMM2).	No comment.
Addition of a record timestamp reporting field	No comment.
Addition of a record creator unique ID	<p>APLNG appreciates the steps the Australian Energy Regulator (AER) has taken to address stakeholder feedback to anonymise the individual trader by requiring a unique creator ID instead. However, we continue to be concerned by the AER’s proposal to introduce this record keeping requirement.</p> <p>Importantly, we note that the AER has not confirmed whether individual record creators will be called upon directly during investigations, or whether they may be individually targeted for non-compliance. APLNG considers that except for very limited circumstances, it is the company that should bear the responsibility for any noncompliance.</p> <p>Where the AER can identify individual personnel, APLNG is concerned that the AER’s powers under section 42 of the National Gas Law (NGL) may expose that individual to an inappropriate degree of</p>

Draft amendment	Submission comments
	<p>financial risk. Section 42(2) of the NGL allows the AER to compel a person to appear before it to provide information, evidence, or documents.¹ Sections 42(3) to 42(4) additionally exposes individual record creators to whom a relevant notice may be served to potential monetary penalties of a maximum of \$6,790² per contravention.</p> <p>APLNG does not consider the financial risk exposure to individual record creators to be appropriate.</p> <p>APLNG would encourage the AER to consider requiring record creator information to be kept as part of a shipper's contemporaneous records, but <u>not</u> be provided to the AER. We consider this would be an optimal solution to ensure accountability for problematic records without individuals being disclosed to the AER.</p>
<p>Requirement to include detailed information in the description reporting field, under categories we proposed:</p> <ul style="list-style-type: none"> • Context • Reason for renomination and category: • Further guidance (if applicable): 	<p>APLNG understands the AER has occasionally had to request additional information from shippers about the reasons for material renomination and is committed to assisting the AER to obtain the information it requires to achieve effective compliance in this space.</p> <p>However, we do not support the expanded requirement for the description reporting field as outlined in the draft DAA Record Keeping Guidelines. We do not consider that the issues we raised as part of our first submission³ have been addressed by making only the 'Further Guidance' field optional.</p> <p>Requiring the creation of more expansive records will impose significant administrative burden on shippers but will offer marginal benefits to the AER. Because contemporaneous records are rarely required by the AER, APLNG considers that the level of detail the AER is proposing to require, along with the expanded reporting fields will disproportionately burden shippers.</p> <p>If the AER maintains the expanded requirements in the description reporting field, APLNG considers that it should be the shipper's responsibility to determine the appropriate level of detail to be recorded in the contemporaneous record, <u>and</u> to be able to substantiate that information if required. The examples provided in the proposed guidelines set an unrealistic and excessive standard, which APLNG considers should be removed or revised.</p> <p>We consider that this approach better balances the need for verifiable and accurate information for investigative purposes with the regulatory burden faced by shippers. It is also consistent with the AER's obligation to have regard to the costs likely to be incurred by shippers in complying with the DAA Record Keeping Guideline under rule 666(6)(b) of the National Gas Rules. The AER may</p>

¹ ss42(1)-(2) of the NGL

² ss42(3)-(4) of the NGL and www.aer.gov.au/civil-and-criminal-penalty-indexation

³ APLNG's [first submission](#) to Amendment of the DAA Record Keeping Guidelines Consultation Paper April 2023, dated 12 May 2023

Draft amendment	Submission comments
	obtain this information through a request for information or through using its investigative powers under section 42 of the NGL.
<p>Three additional category field options (MA, ER and EO) for category reporting field.</p> <ul style="list-style-type: none"> • MA for a market change identified or caused by AEMO • EO for a renomination to address an error made by a third party • ER for when a pipeline requests a shipper to renominate against firm and/or auction services to assist in their gas balancing activities. 	No comment.
Requirement to record the delivery and receipt point of the transportation service in the transportation service field.	No comment.