



7 November 2024

Australian Energy Regulator  
GPO Box 3131  
Canberra ACT 2601

Submitted by email: [PipelineFOR@aer.gov.au](mailto:PipelineFOR@aer.gov.au)

### Form of Regulation Review (South West Queensland Pipeline) – Draft Decision

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the Australian Energy Regulator's (AER) Form of Regulation Review Draft Decision for the South West Queensland Pipeline (SWQP).

Origin supports the AER's preliminary finding that non-scheme regulation remains the most appropriate form of regulation for the SWQP. As noted in our submission to the Discussion Paper, a key benefit of the lighter, non-scheme pipeline classification is that it is designed to support efficient, commercially negotiated outcomes. Given this, there should generally be a preference for only applying full scheme regulation where there is a demonstrated market failure. We have not identified any material concerns relating to access or pricing of services on the SWQP that would warrant such a change at this time and as highlighted in the Draft Decision, consider:

- there is the potential for additional substitutes (e.g. the Hunter Gas Pipeline and LNG import terminals) to emerge and add competitive pressure to negotiations when seeking access; and
- recent improvements to the non-scheme regime (including, improved disclosure obligations and an enhanced negotiation framework) that are intended to improve the ability of shippers to negotiate, will likely have greater impact in the future once they have had time to be fully implemented and take effect.<sup>1</sup>

The AER's finding that there are lower direct costs associated with non-scheme regulation of the SWQP is consistent with our expectations.<sup>2</sup> In relation to indirect costs, we share concerns expressed by other stakeholders that the uncertainty associated with the possible introduction and application of scheme regulation has the potential to delay investment in the SWQP and related pipelines at a time when significant investment is required to ensure reliability of supply across the east coast gas market.

If you wish to discuss any aspect of this submission further, please contact Thomas Lozanov at

[REDACTED]

Yours Sincerely,

A handwritten signature in cursive script that reads "S Cole".

Shaun Cole  
Group Manager, Regulatory Policy

<sup>1</sup> AER, SWQP Form of Regulation Review – Draft Decision, p. 61.

<sup>2</sup> Ibid, p. 79