

Our Ref: D19/137772
Contact Officer: Jeremy Llewellyn
Contact Phone: 07 3835 4610
Date: 26 September 2019

Andrew Pankowski
C/O - COAG Energy Council
GPO Box 787
CANBERRA ACT 2601

Dear Mr Pankowski

Consultation RIS – Measures to Improve Transparency in the Gas Market

Thank you for the opportunity to comment on the regulatory impact statement (RIS) and legislative changes examining options to improve transparency in Eastern and Northern gas markets.

The AER has regulatory oversight of the bulletin board as a gas market surveillance authority. Specifically, we enforce information standards on market participants' data submissions to promote confidence in gas market data and we also monitor for the manipulation of gas markets. Additionally, we publish regular analysis¹ and update statistics² to provide transparency about gas market dynamics.

Information transparency is important for the efficient allocation of gas and infrastructure services and also to support investment as the gas market continues to undergo rapid changes. Transparency is also important for government decision making given the numerous market reforms being considered and implemented. However, the gas market is lacking key information, with data reporting fragmented, particularly around gas supply and availability.

We support the measures contained in the RIS to address the information deficiencies currently presenting challenges in the market. Much of the proposed suite of information reporting obligations are a feature of developed gas markets overseas. Information transparency has been a hallmark of development of these overseas markets where trade is deep and liquid, and a diverse range of supply sources can compete via integrated infrastructure corridors.

We have a preference towards Option 3 or 4 - noting in option 4 we see particular benefits from swap information reporting and a lower materiality threshold for outage reporting. In particular:

- We endorse centralised data reporting with a consistent measurement framework that provides confidence in the accuracy of the data. We support the bulletin board being the information platform by which information is made publicly available, in step

¹ See aer.gov.au/wholesale-markets/market-performance

² See aer.gov.au/wholesale-markets/wholesale-statistics

with recent AEMC transparency reforms seeking to establish the bulletin board as a one-stop-shop for gas market information.

- Reforms should address information deficiencies but also improve aspects of the regulatory regime by raising penalties for data submissions that do not meet reporting standards. We also support separate proposals to the RIS to increase the monetary value of civil penalties for breaches of information standards and data submission procedures, to improve the accuracy and quality of market information. We consider higher penalties would place higher onus on market participants to ensure that data submissions are accurate and timely.
- Additionally, the reforms should provide us with a framework to more easily obtain and disclose information that would benefit the public interest. The current framework is cumbersome which limits our ability to publish information and can delay timely disclosures to the market and policy makers. We also recommend flexibility in how we report price series.

Further detail on these comments, plus additional feedback on the questions presented within the RIS is included in the attached table.

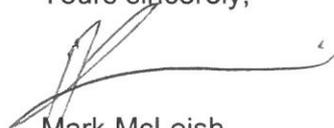
We also welcome the proposed expansion to our functions (through the Gas Market Performance and Advisory function and the Gas Price Reporting function) as consistent with our strategic objective of using our expertise to inform debate about Australia's energy future, the long-term interests of consumers and the regulatory landscape. The proposed measures will also assist the AER in performing its enforcement role, supporting achievement of our objective of driving effective competition where it is feasible.

In recent years, we have expanded our gas market reporting progressively to reporting on information on the facilitated gas markets and most recently the pipeline capacity day ahead auction. AER reported information was captured in a review of liquidity of gas markets in 2018 and it is intended that AER data and information on pipeline capacity markets will be a feature of future assessments of gas market performance. However, in the absence of contract information, particularly OTC short-term commodity trade information (RIS option 3) and even swap information (RIS option 4), analysis of the performance of the market is challenging and incomplete. With these enhanced functions we anticipate being in a position to report more comprehensively on developments in gas markets, which will better assist the market and policy makers to understand whether current policy settings are working.

In welcoming these measures and new functions, we appreciate the Energy Council's acknowledgement of the additional resourcing that we will need. We consider that appropriate resourcing for the AER will be important if the full benefits of the transparency reforms are to be realised. These roles cross several of our regulatory functions, including administration, compliance and market reporting, and would also require additional corporate support, particularly in IT.

We thank the Energy Council for the opportunity to submit on this process and look forward to ongoing involvement in the assessment of this regulatory impact statement. If you have any questions about our submission, please feel free to contact Jeremy Llewellyn (07 3835 4610).

Yours sincerely,



Mark McLeish
A/g General Manager – Market Performance Branch
Australian Energy Regulator

Attachment B

Stakeholder feedback template

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in this paper and any other issues that they would like to provide feedback on. The SCO strongly encourages stakeholders to use this template, so that it can have due regard to the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern.

Should stakeholders choose to provide additional feedback outside the template, they should reference the relevant question they are responding to.

1. Bulletin Board

Number	Questions	Feedback
1	<p>Box 2.3 describes the purpose of the Bulletin Board. If the transparency measures outlined in this Consultation RIS are implemented, do you think that the purpose of the Bulletin Board should be further clarified (e.g. to capture both domestic and export oriented activities)? If yes/no please explain.</p>	<p>The Bulletin Board achieves its currently stated purpose in the National Gas Rules by making transparent gas production and flow activity across the interconnected east coast system. Consideration should continue be given to how flows to LNG export facilities are relevant when they have potential to impact trade within this system.</p> <p>More broadly, we note that the AER continues to respond to a range of scope of capture of facility questions, some real examples brought to the AER recently are:</p> <ul style="list-style-type: none"> • Undersea pipelines that carry processed gas (noting that gas can be partially processed or processed and fit for consumption) • Off-shore processing facilities in Commonwealth waters • Gas pipelines that supply off-spec gas to gas powered generation that participates in the National Electricity Market • Facilities that do not trade in the domestic market but are grid-connected for the sole purpose of providing back-up supply (e.g. NT LNG export facilities) <p>There may also be merit in attaching the Bulletin Board purpose to the National Gas Objective, noting that circumstances can arise where Bulletin Board reporting requirements impose costs with scant perceived benefit. For example, when the operators of small pipelines are required to report duplicative data at the points of delivery and receipt.</p>

		We otherwise accept that the Bulletin Board purpose should be high-level, with the extent of capture guided by specific rule requirements and facility definitions in the NGL.
--	--	--

2. ACCC recommendations on reserves and resources reporting framework

Number	Questions	Feedback
2	<p>As noted in Table 3.3, the ACCC has recommended that annual movements in 2P reserves be reported. Do you think:</p> <ul style="list-style-type: none"> (a) an additional category of 'pricing' should be included to capture reserve adjustments due to changes in gas price assumptions? (b) reserves upgrades and downgrades should be combined into a single category? 	
3	<p>As noted in Table 3.3, the ACCC has recommended that reserves and resources be reported on a field level. How do you think the term 'field' should be defined for this purpose? For example, do you think it should be defined by reference to a permit, or is greater guidance on how tenures are to be grouped into a field assist? Alternatively, do you think there should be a standard or requirement for naming fields? Please explain your response to this question.</p>	

3. Gas, LNG and infrastructure prices

Number	Questions	Feedback
4	Do you agree with the information deficiencies that have been identified in Table 4.1? If you don't agree please explain why. Are there other pricing related information deficiencies that you think are adversely affecting the gas markets in eastern and northern Australia?	Yes. Much trade of gas occurs bi-laterally where the price is not reported.
5	How significant an effect, do you think the information deficiencies identified in Table 4.1, are having on the gas markets in eastern and northern Australia and the broader economy?	The pricing information deficiencies identified considerably impact domestic gas markets, as captured in the RIS. In particular, the pricing deficiencies create confusion about the actual cost to procure gas and make broader gas reform policies harder to design and implement.
6	Do you agree that the information deficiencies for gas, LNG export and infrastructure prices could be viewed as a market failure that will warrant government intervention? If not, please explain why.	Yes. A number of highly developed European and American markets have benefitted by concerted efforts of policymakers to increase transparency in those markets. Case studies analysing the development of these markets reveal transparency has been a cornerstone to build trading liquidity and encourages infrastructure investment and innovation.
7	To what extent have you been using the existing information on the Bulletin Board and information published in the ACCC Gas Inquiry?	The AER uses the bulletin board extensively: as a source for analysis of East Coast gas markets published weekly and quarterly; and for reporting a large range of trends in production and pipeline flows through regularly updated wholesale statistics, along with also volumes and prices of trades reported through the bulletin board (secondary capacity trade data). The AER also monitors bulletin board data submissions and has regulatory oversight to enforce an information standard which promotes accuracy and timeliness of data submissions as well as to monitor for the manipulation of gas markets.
8	Do you agree with the ACCC-GMRG's recommendations on how to address these information deficiencies, which would require the publication of the following (see section 3.3 for more detail)? <ul style="list-style-type: none"> o production cost estimates; o short-term GSA prices; o long-term GSA prices; o LNG netback prices; o LNG export prices; and 	Yes. A number of participants have raised the need for an ongoing trusted, forward looking price that reflects expectations of participants' actual willingness to trade and make investment decisions. The pricing points proposed to be reported would provide a short and long-term view of market expectations.

	<ul style="list-style-type: none"> o the standing prices and actual prices paid for compression and storage facilities. (a) If so, please explain how you would use this information and the net benefit it would provide. (b) If not, please explain why. 	
9	<p>Do you agree with the options that have been identified in section 4.3, or are there other options that could be considered? If you think there are other options that could be considered, please explain what they are, what they would involve and what the advantages, disadvantages, costs, benefits and risks are with these additional options.</p>	
10	<p>In relation to the options set out in section 4.3:</p> <ul style="list-style-type: none"> (a) What do you think the advantages, disadvantages, costs, benefits and risks are with each option? (b) What incremental benefits do you think are associated with options 2-4? (c) What incremental costs do market participants expect to incur under options 2-4? (d) Are there any refinements that could be made to these options to reduce compliance and reporting costs, whilst also ensuring any obligations are fit for purpose and achieve the NGO and the Energy Council's Vision as set out in Box 1.1? (e) Do you agree with the proposed reporting frameworks for short-term GSAs, swaps and/or secondary trades of storage capacity? If not, please explain what you think should change and why. 	<p>The AER continues to report on trends in the new Day Ahead Auction and in the reporting of over-the-counter short-term capacity trades and exchange based short-term capacity trades at www.aer.gov.au/wholesale-markets/wholesale-statistics.</p> <p>Since reporting requirements commenced on 1 March 2019, there has been significant trade of the day ahead auction but virtually no other reported capacity trades. The AER considers that short-term (less than 1 year) movements of gas may be occurring through gas swaps over this period. However, in the absence of transparency of swap information through the bulletin board, it is hard to understand and evaluate fully the lack of trades through the capacity trading platform to date.</p>

11	If you think the transparency measures set out in section 4.3 should be implemented through alternative means, please explain how you envisage this would work.	
----	---	--

4. Supply and availability of gas

Number	Questions	Feedback
12	Do you agree with the information deficiencies that have been identified in Table 5.1? If you don't agree with the information deficiencies that have been identified, please explain why. Are there other gas supply and availability related information deficiencies that you think are adversely affecting the gas markets in eastern and northern Australia?	Yes, gas supply information is highly fragmented with multiple data sources that are not reported under a consistent framework. This acts as a barrier to building an understanding of gas markets and gas market behaviour, and is a detriment to informing efficient investment outcomes (particularly for smaller participants with limited resources) and good governance. The AER, as a national regulatory body, must utilise what information is publicly available to underpin its gas market monitoring functions (including monitoring for market manipulation). The fragmented nature of information sources is a detriment to these functions and their timely completion.
13	How significant an effect do you think the information deficiencies identified in Table 5.1 are having on the gas markets in eastern and northern Australia and the broader economy?	The supply information deficiencies identified considerably impact domestic gas markets, as captured in the RIS. In particular, the deficiencies create confusion for policy makers about the true availability of gas supply and hampers policy development.
14	Do you agree that the information deficiencies regarding the supply and availability of gas could be viewed as a market failure that will warrant government intervention? If not, please explain why.	
15	To what extent have you been using the existing information on the Bulletin Board and information published in the ACCC Gas Inquiry?	Same answer to Q. 7.
16	Do you agree with the AEMC's and ACCC-GMRG's recommendations on how to address these information deficiencies, which would require the publication of the following (see sections 3.1 and 3.3 for more detail)? <ul style="list-style-type: none"> o 1P, 2P, 3P reserves, 1C and 2C contingent resources; 	The AER supports increased transparency of gas supply and availability information. In particular, data reporting of gas exploration activities is currently highly fragmented and provided in an inaccessible format, in some cases, only through geospatial software. There would be benefit in centralising and making gas

Number	Questions	Feedback
	<ul style="list-style-type: none"> ○ Links to public information on exploration activities; ○ Drilling activities; ○ Volume of gas contracted under existing GSAs; and ○ LNG import volume and operational information. <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	<p>exploration data more accessible to better identify and potential production sources under development and provide some indication of production prospects.</p>
17	<p>Do you agree with the options that have been identified in section 5.3, or are there other options that could be considered? If you think there are other options that could be considered, please explain what the options are, what they would involve and what the advantages, disadvantages, costs, benefits and risks are with these additional options.</p>	<p>Yes, and additionally, we consider the definition of “materiality” should be revised to capture more critical updates of changes to production, pipeline and storage facility capacities than is currently reported. This reporting regime should be supported by an adequate penalty regime sufficient to discourage inadequate or un-timely updates.</p>
18	<p>In relation to the options set out in section 5.3:</p> <ul style="list-style-type: none"> (a) What do you think the advantages, disadvantages, costs, benefits and risks are with each option? (b) What incremental benefits do you think are associated with options 2-4? (c) What incremental costs do holders of gas reserves and resources, LNG import and LNG export facilities expect to incur under options 2-4? (d) Are there any refinements that could be made to these options to reduce compliance and reporting costs, whilst also ensuring any obligations are fit for purpose and achieve the NGO and the Energy Council’s Vision as set out in Box 1.1? 	

Number	Questions	Feedback
19	If you think the transparency measures set out in section 5.3 should be implemented through alternative means, please explain how you envisage this would work.	

5. Demand for gas

Number	Questions	Feedback
20	Do you agree with the reporting information inconsistencies that have been identified in section 6.1? If you do not agree, please explain why. Are there other demand related information deficiencies that are adversely affecting the gas markets in eastern and northern Australia?	Yes. In addition, establishing a framework that provides clarity of export volume measures in terms of energy (terajoules and petajoules) would better inform policy decisions. Much public commentary discusses export volumes in terms of tonnage or cargoes but this does not easily allow for comparisons to domestic demand and supply stated in energy volumes.
21	How significant an effect do you think the demand related information deficiencies are having on the gas markets in eastern and northern Australia and the broader economy?	
22	Do you agree that the information deficiencies identified in the demand for gas could be viewed as a market failure that will warrant government intervention? If not, please explain why.	Yes we agree. Gas market dynamics can be heavily influenced by the actions of few large players that represent a sizeable market share in their own right. It is important for policymakers to understand the demand profile of these larger players.
23	To what extent have you been using the existing information regarding LNG exporters' demand-supply balance as published in the ACCC Gas Inquiry?	
24	Do you agree with the AEMC's and ACCC-GMRG's recommendations on how to address these information	Yes we agree with the AEMC's and ACCC-GMRG's recommendations for demand side transparency. This would provide vital information on large users'

Number	Questions	Feedback
	<p>deficiencies, which would require the publication of the following (see sections 3.1 and 3.3 for more detail)?</p> <ul style="list-style-type: none"> ○ Large users' information on nameplate capacity and daily actual gas consumption; ○ LNG export facility operational information; and ○ LNG export facility shipment information. <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	<p>engagement with the domestic market. This would also inform the ADGSM and future policy reforms contemplated by Governments.</p> <p>Production capacities and outages of export facilities stated in terms of energy (terajoules/petajoules) would provide greater clarity of exporters' engagement with the domestic market. Currently, outages are reported in terms of the number/portion of export production facilities (trains) offline.</p>
25	<p>Do you agree that requiring large users, LNG facility operators and LNG export facilities to report the information set out in section 6.3 will benefit market participants?</p> <p>(a) If so, please explain how you would use this information and the benefit it would provide.</p> <p>(b) If not, please explain why.</p>	<p>Yes. Same answer to Q.24.</p>
26	<p>Do you agree with the list of information that large users, LNG facility operators and LNG export facilities would be required to report (e.g. do you agree that LNG facility operators should be required to report on the volume of LNG in storage facilities)?</p> <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	<p>Yes. Same answer to Q.24.</p>
27	<p>Do you think that Northern Territory LNG facilities should be included or exempt from reporting the proposed operational and shipment information? Please explain your view.</p>	<p>The absence of NT export data reduces information supporting market development, including the potential development of local industries in the NT and opportunities for NT LNG to supply east coast gas markets. The AER seeks that consideration be given to whether the conditional Part 18 exemption, granted to NT LNG facilities, should be removed as part of this Transparency RIS. This,</p>

Number	Questions	Feedback
		<p>specifically, requires consideration of the definition of an LNG export facility and how it applies when a LNG export facility is connected, semi-connected or not connected to the east coast grid.</p> <p>LNG export information is also important for governance decisions, including policy-making and regulation. Whilst gas export information can be separately sought by government bodies, information gathering processes can be untimely and uncertain.</p>
28	<p>Do you have any suggestions for alternative/additional information that would improve demand side information on the Bulletin Board? If so, please explain your suggestions.</p>	
29	<p>In relation to the LNG export information:</p> <ul style="list-style-type: none"> (a) Are there any reasons why LNG exporters should not be required to report on exports to AEMO for publication on the Bulletin Board? If so, please explain why. (b) Are there any constraints on the ability of LNG exporters to report this information to AEMO? If so, please explain what the constraints are. (c) Do you agree the 20 business day lag is required to address potential concerns about the publication of LNG export information and if so, is this measure effective? If not, what would address those concerns? 	
30	<p>Do you agree with the options that have been identified in section 6.3, or are there other options that could be considered? If you think there are other options that could be considered, please explain what the options are, what they would involve and what the advantages, disadvantages, costs, benefits and risks are with these additional options.</p>	<p>Yes. Information relating to capacity/consumption should be stated in terms of energy (terajoules/petajoules). Benefits would include more information to determine when excess gas may be available for domestic supply and build better expectations of typical maintenance cycles.</p>

Number	Questions	Feedback
31	<p>In relation to the options set out in section 6.3:</p> <p>(a) What do you think the advantages, disadvantages, costs, benefits and risks are with each option?</p> <p>(b) What incremental benefits do you think are associated with options 2-4?</p> <p>(c) What incremental costs do LNG exporters, LNG facility operators and large users expect to incur under options 2-4 in section 6.3?</p> <p>(d) Are there any refinements that could be made to these options to reduce compliance and reporting costs, whilst also ensuring any obligations are fit for purpose and achieve the NGO and the Energy Council's Vision as set out in Box 1.1?</p>	
32	<p>If you think the transparency measures set out in section 6.3 should be implemented through alternative means, please explain how you envisage this would work and how this would contribute to the NGO and the Energy Council's Vision as set out in Box 1.1.</p>	

6. Infrastructure used to supply gas to end-markets

Number	Questions	Feedback
33	<p>Do you agree with the information deficiencies that have been identified in section 7.1? If you don't agree with the information deficiencies that have been identified, please explain why? Are there other infrastructure related information deficiencies that you think are adversely affecting the gas markets in eastern and northern Australia?</p>	<p>Yes we agree with the information deficiencies that have been identified in relation to infrastructure used to supply gas to end-markets.</p>

Number	Questions	Feedback
34	How significant an effect do you think the infrastructure related information deficiencies are having on the gas markets in eastern and northern Australia and the broader economy?	Some market participants have cited information asymmetries relating to infrastructure outages/constraints as reasons why they haven't participated more in financial and physical gas markets. Better availability on infrastructure performance would help to improve market liquidity.
35	Do you agree that the information deficiencies regarding infrastructure used to supply gas to end-markets could be viewed as a market failure that will warrant government intervention? If not, please explain why.	
36	<p>Do you agree with the AEMC's and ACCC-GMRG's recommendations on how to address these information deficiencies, which would require the publication of the following (see sections 3.1 and 3.3 for more detail)?</p> <ul style="list-style-type: none"> o Proposed and committed infrastructure developments; o 36-month uncontracted capacity outlook for storage and stand-alone compression facilities, and production facilities providing third party access; o Stand-alone compression facilities to report operational information; and o A list of users with contracted capacity under storage and stand-alone compression facilities. <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	Yes. These information reporting measures would assist in the AER's market monitoring and reporting of market events, in particular, the progress of the auction and trading market reforms.
37	Do you agree that requiring project proponents to provide the proposed information on gas infrastructure developments will	Yes. This would inform policymakers on the future availability of gas and supply more generally.

Number	Questions	Feedback
	<p>deliver an overall net benefit to gas market participants and policymakers?</p> <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	
38	<p>Do you agree that the requirement for entities to provide information on gas infrastructure developments should cover both 'proposed' and 'committed' developments set out in section 7.3? If not, please explain why.</p>	
39	<p>Do you agree the rules requiring compression service facilities registered under Part 24 to provide operational information should extend to all stand-alone compression facilities that meet the reporting threshold? If not, please explain why.</p>	
40	<p>Do you agree the rules requiring compression service facilities registered under Part 24 to provide operational information should extend to all stand-alone compression facilities that meet the reporting threshold? If not, please explain why.</p>	
41	<p>Do you agree with the categories of information to be reported by compression service facilities set out in section 7.3? If not, please explain why.</p>	
42	<p>Do you agree the proposed extension of the time-frame for uncontracted capacity outlooks from 12 to 36 months will deliver an overall net benefit to gas market participants?</p>	<p>Yes. This would assist in tracking the progress of pipeline capacity trading markets and allow more forward-looking information for participants to plan investment.</p>

Number	Questions	Feedback
	<p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p> <p>(b) If not, please explain why.</p>	
43	<p>Do you see value in extending the information requirement for a 36-month uncontracted capacity outlook to production facility operators that are providing third party access?</p> <p>(a) If so, please explain how you would use this information and the net benefit it would provide.</p>	<p>Yes. This would allow more forward-looking information for participants to plan investment.</p>
44	<p>Do you agree that requiring Bulletin Board compression facilities and Bulletin Board storage facilities to provide a list of users with contracted capacity for publication on the Bulletin Board will deliver an overall net benefit to gas market participants?</p>	
45	<p>Do you agree that the materiality threshold should be changed? If not, please explain why.</p>	<p>Yes. Currently the materiality threshold is not suitable to capture relevant intraday changes to facilities' reflected in updates to short-term capacity outlook reports. Some participants that do not contract directly with facilities have suggested they do not participate in the financial side of the gas market because of information asymmetries. Whereby, infrastructure providers update their customers directly, alerting them to details of customer outages.</p>
46	<p>Do you agree with the options that have been identified in section 7.3, or are there other options that could be considered? If you think there are other options that could be considered, please explain what the options are, what they would involve and what the advantages, disadvantages, costs, benefits and risks are with these additional options.</p>	

Number	Questions	Feedback
47	<p>In relation to the options set out in section 7.3:</p> <p>(a) What do you think the advantages, disadvantages, costs, benefits and risks are with each option?</p> <p>(b) What incremental benefits do you think are associated with options 2-4?</p> <p>(c) What incremental costs do entities developing new gas infrastructure, operators of storage and stand-alone compression facilities, and facilities with a capacity of 10-30TJ/day expect to incur under options 2-4 in section 7.3?</p> <p>(d) Are there any refinements that could be made to these options to reduce compliance and reporting costs, whilst also ensuring any obligations are fit for purpose and achieve the NGO and the Energy Council's Vision as set out in Box 1.1?</p>	<p>The advantage would be better information to existing and potential market players to participate more in the East Coast gas markets and promote market liquidity.</p>
48	<p>If you think the transparency measures set out in section 7.3 should be implemented through alternative means, please explain how you envisage this would work and how this would contribute to the NGO and the Energy Council's Vision as set out in Box 1.1.</p>	

7. Gas Statement of Opportunities (GSOO)

Number	Questions	Feedback
49	<p>Do you agree that the GSOO should be expanded to include the Northern Territory now it is connected to the eastern and northern Australian gas markets? If not, please explain why.</p>	<p>Yes. See comments on reporting of NT data above.</p>

50	Do you agree that the current voluntary requirement for market participants to provide information to AEMO results in a poor quality of information in the GSOO? If not, please explain why.	Yes. We support measures for this information to be provided as a regulatory requirement which the AER will oversight.
51	Do you agree that compelling market participants to provide information required for GSOO preparation will benefit the quality of information in the GSOO? If not, please explain why.	Yes. We consider that with appropriate sanctions behind this information provision that there is a strong likelihood that the information provision will be improved.
52	Do you agree with the options that have been identified in section 8.3, or are there other options that could be considered that would result in the GSOO better achieving its objective? If you think there are other options that could be considered, please explain what the options are, what they would involve and what the advantages, disadvantages, costs, benefits and risks are with these additional options.	
53	<p>In relation to the options set out in section 8.3:</p> <ul style="list-style-type: none"> (a) What do you think the advantages, disadvantages, costs, benefits and risks are with each option? (b) What incremental benefits do you think are associated with option 2? (c) What incremental costs do market participants expect to incur under option 2? (d) Are there any refinements that could be made to option 2 to reduce compliance and reporting costs, whilst also ensuring any obligations are fit for purpose and achieve the NGO and the Energy Council's Vision as set out in Box 1.1? 	

54	If you think the transparency measures set out in section 8.3 should be implemented through alternative means, please explain how you envisage this would work how this would contribute to the NGO and the Energy Council's Vision as set out in Box 1.1.	
----	--	--

8. Risk analysis

Number	Questions	Feedback
55	Do you agree with the identified risks and treatments associated with maintaining the status quo, as set out in Tables A.1 and A.2? If not, please explain why. If you think there are other risks and treatments that could be included in Tables A.1 and A.2, please elaborate.	
56	Do you agree with the identified risks and treatments associated with implementing recommendations described in options 2, 3, and 4, as set out in Tables A.3 and A.4? If not, please explain why. If you think there are other risks and treatments that could be included in Tables A.3 and A.4, please elaborate.	

9. Cost Benefit Analysis

Number	Questions	Feedback
57	Are you aware of any upcoming changes at a government level or private sector level that the CBA should take into account under the status quo scenario? If so, please explain what the changes are and how best to account for those changes in the CBA.	
58	Do you agree with the identified costs and benefit categories set out in Table 9.2? If not, please explain why? If you think there are other costs and benefit categories that could be considered in the CBA, please explain those cost categories and how best to capture them in the CBA.	We note that the AER will require additional staffing for its functions to support the proposed transparency measures as well as for additional resources to undertake the proposed new functions (gas market reporting and gas price reporting).
59	Do you have any information on the costs and benefits outlined in Table 9.2? If so, please elaborate on the components and quantum of the costs and benefits.	See response to question 58 above.
60	Do you agree with the proposed discount rate and appraisal period input variables to be used for the central case and sensitivity testing? If not, please explain why.	
61	Do you think there are other input variables which should be sensitivity tested in the CBA? If so, please explain what other input variables should be tested.	

10. Commonwealth Regulatory Burden Measure Analysis

Number	Questions	Feedback
62	Do you have any information on the regulatory burden costs related to existing reporting requirements? If so, please elaborate on the components and quantum of the costs.	

11. Competition Effects Analysis

Number	Questions	Feedback
63	Do you agree with the proposed approach to qualitatively assess the competition implications of each policy option described in this RIS paper? If not, please explain why.	
64	Do you agree with the categories of key stakeholder groups identified for this analysis? If not, please explain why.	
65	Do you agree with the proposed seven-point scale to be used for this analysis? If not, please explain why.	
66	Do you have any information on potential competition effects arising from each of the policy options summarised in Table 9.1 ? If so, please elaborate.	Increased transparency will allow smaller market participants access to better information to participate and increase competition. In particular, aspects of gas price and supply availability should improve price discovery and an ability to trade more in the short-term markets and at the gas supply hubs.

12. National Gas Law Amendments

Item number	Amendment	Issue	Feedback
	Part 1	Preliminary	
1	Section 2	AER Gas Market Advisory and Reporting Function	<p>This function is consistent with enabling the AER to provide comprehensive and insightful information to the market and to policymakers on the East Coast Gas Markets beyond what its current mandate entails. This is achieved in part through enabling the AER to obtain gas market information from unregulated markets. The AER has expanded its gas market reporting progressively to report on information on the regulated DWGM (Vic), Adl, Bris, Syd (STTMs commencing 2010), Moomba and Wallumbilla Gas Supply Exchanges (commencing 2015) and most recently the pipeline capacity day ahead auction (commencing 2018). AER reporting of market trends was captured in a review of liquidity of gas markets in 2018 with the intent that AER data and information on pipeline capacity markets (2019) be a feature of future assessments of gas market performance. With this enhanced function the AER intends to report more comprehensively in a timely manner on developments in gas markets. By having access to contract market information, the AER will be able to assess and comment on the broader picture to better understand whether current policy settings are working.</p> <p>The Energy Security Board recognised in a February 2019 consultation paper on ACCC Retail Electricity Pricing Inquiry I recommendation 41 that the AER information powers are fragmented and function-specific, noting that currently there is no explicit function or power for the AER to monitor contract markets in the gas or electricity markets. The AER agrees with the ACCC comment in its submission in response to the consultation paper that interpreting and analysing developments in wholesale markets is difficult without also considering activity in contract markets:</p> <ul style="list-style-type: none"> • http://www.coagenergycouncil.gov.au/sites/prod.energycouncil/files/publications/documents/ACCC%20Recommendation%2041%20Consultation%20Paper.pdf • http://www.coagenergycouncil.gov.au/sites/prod.energycouncil/files/publications/documents/ACCC%20Response%20to%20ACCC%20Recommendation%2041%20Consultation%20Paper.PDF <p>Contract information could be reported and collected under legislation through providing the AER a function to issue “market information orders” (as discussed in the ESB’s consultation) or through price information orders as contemplated in the draft legislation. While the ACCC’s Gas Inquiry is on foot, the AER envisages it could work with (and share information with) the ACCC if it continues to collect contract market information, to reduce duplication and minimise reporting burden.</p>
2	Section 2	AER Gas Price Reporting Function	The AER notes this Price Reporting Function as an important new role to bring transparency to the gas market.
	Part 2	Amendment of National Gas Law	

Item number	Amendment	Issue	Feedback
3	64A	Making of Price Information Orders	The Standard consultative process required for making a price information order will not be conducive to timely reporting of data deemed urgent– the consultation requirements should be considered alongside the timeliness of reporting.
4	64B	The Form and Content of Price Information Orders	Flexibility in terms of the class of persons whom an order is directed to and when the reporting requirement is triggered is an important aspect of this provision. The AER can envisage ways the “event trigger” might be used such as to capture trades conducted at certain locations or involving certain classes of assets e.g. gas-power-generators; which may be used as an alternative to requiring periodic reporting. Being able to request information in response to events – rather than on a periodic basis – may be especially useful where it is considered timeliness of awareness of that information is important.
5	66B	Confidential Supplier Information 66 B(1) – Definition	
6	66B	Confidential Supplier Information 66B(5) – Disclosure	The disclosure framework in Chapter 10 Part 2 Division 1 is very onerous and not suited to a process where the AER may need to report information in a timely manner, including to policy makers.

13. National Gas Regulations Amendments

Item number	Amendment	Issue	Feedback
	Part 1	Preliminary	
1	[Insert section and subsection reference]	[Insert section/subsection text]	

Item number	Amendment	Issue	Feedback
2	[Insert section and subsection reference] [insert extra rows if necessary]	[Insert section/subsection text]	
	Part 2	Variation of National Gas (South Australia) Regulations	
3	[Insert section and subsection reference]	[Insert section/subsection text]	
4	[Insert section and subsection reference] [insert extra rows if necessary]	[Insert section/subsection text]	

14. National Gas Rules Amendments

Item number	Amendment	Issue	Feedback
	Part 15B	Procedures	
1	[insert section and subsection reference]	[Insert section/subsection text]	
2	[insert section and subsection reference] [insert extra rows if necessary]	[Insert section/subsection text]	
	Part 15D	Gas statement of opportunities	
3	[insert division, section and subsection reference]	[Insert section/subsection text]	

Item number	Amendment	Issue	Feedback
4	[insert division, section and subsection reference] [insert extra rows if necessary]	[Insert section/subsection text]	
	Part 17	Miscellaneous provisions relating to the AER	
5	140A	Gas Price Reporting Function - Heading	
6	140A	Gas Price Reporting Function – subclause 1 - Price Information Orders	The AER's issuing of a Price Information Order should not require following of the Standard Consultative Procedure – which is a many step process. Particularly if the AER is requiring information under an Order connected to a Market Reporting and Advisory Role, following this process could impact the timeliness of information reported.
6	140A	Gas Price Reporting Function – subclause 4 – requirements for maintaining anonymity	The section notes that price information in price series is to be derived from at least 3 unrelated sellers. We suggest there be further consideration to providing more discretion for the AER to report other than with 3 unrelated sellers by reference to an overarching requirement nevertheless to preserve anonymity. As an example, the AER may consider to publish prices to contrast JKM-linked, Oil-linked, or CPI linked domestic contract prices. As a hypothetical, If there are only 2 JKM-linked contract prices for 2021; this should be information only the AER has in its possession (the existence of only two such priced contacts), and so individual contract prices would not be able to be backwards engineered.
	Part 18	Natural Gas Services Bulletin Board	
7	[insert division, section and subsection reference]	[Insert section/subsection text]	
8	[insert division, section and subsection reference]	[Insert section/subsection text]	

Item number	Amendment	Issue	Feedback
	[insert extra rows if necessary]		
	Part 18A	Compression and storage terms and prices	
9	[insert division, section and subsection reference]	[Insert section/subsection text]	
10	[insert division, section and subsection reference] [insert extra rows if necessary]	[Insert section/subsection text]	