



Our Ref: GMRG – Capacity Trading Reform Package: Draft legal and regulatory framework.
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Gas Market Reform Group
c/o Australian Energy Market Commission
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Submitted via email: enquiries@gmrq.coagenergycouncil.gov.au

Submission: Capacity Trading Reform Package: Draft legal and regulatory framework

Epic Energy South Australia Pty Ltd ('EESA') welcomes the opportunity to comment on the '*Capacity Trading Reform Package: Draft legal and regulatory framework*' Consultation Paper (the 'reform package'), released 19 March 2018.

EESA owns and operates more than 1,200 km of gas transmission pipelines in South Australia, including the Moomba to Adelaide Pipeline System (MAPS) and the South East Pipeline System (SEPS), which are uncovered (non-scheme) pipelines¹.

The reform package proposes a wide-ranging shift to how the market has previously operated. As a result, service providers will be required to undertake substantial changes to their internal processes and procedures in order to comply with the amendments.

As noted in the **attached** '*Stakeholder Feedback Template*', the reform package creates some uncertainty as to how the legal and regulatory framework will operate and as a result represents considerable commercial risk for EESA and we seek to clarify those issues and concerns through this consultation process.

¹ Coverage of the SEPS was revoked by the National Competition Council on 20 April 2000 and coverage of the MAPS was revoked on 30 September 2007.

EESA recognises that a detailed assessment of the reform package cannot be completed without the procedures to be developed by AEMO and we would be grateful for an opportunity to review this submission following our review of AEMO's procedures.

EESA welcomes the policy intent of these reforms which is *"expected to foster the development of a more liquid secondary capacity market and, in doing so, improve the efficiency with which capacity is allocated and used . . ."*² EESA looks forward to working with the Gas Market Reform Group to achieve this outcome.

EESA confirms that this submission can be made publicly available.

Should you require further information regarding any of the comments made in this submission, please do not hesitate to contact Jeff Olling, Manager, Government, Regulatory and Stakeholder Relations on (08) 8343 8154 or by email: jeff.olling@epic.com.au.

Yours sincerely



Reynard Smith
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² Capacity Trading Reform Package: Draft legal and regulatory framework, Consultation Paper, 19 March 2018, p. 7