

30 April 2018

Gas Market Reform Group  
c/o Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

(via email: [enquiries@gmrg.coagenergycouncil.gov.au](mailto:enquiries@gmrg.coagenergycouncil.gov.au))

***RE: Capacity Trading Reform Package: Draft legal and regulatory framework (National Gas Law, National Gas Rules, Regulations and Code) – Consultation Paper***

GLNG Operations Pty Ltd (GLNG) welcomes the opportunity to provide the following submission in respect of the *Capacity Trading Reform Package: Draft legal and regulatory framework (National Gas Law, National Gas Rules, Regulations and Code) – Consultation Paper (Draft Capacity Trading Reform)* released by GMRG on 19 March 2018.

GLNG supports the rationale for the amendments to be a desire to foster the development of a more liquid secondary capacity market and, in so doing, improve the efficiency with which capacity is allocated and used on transportation assets operating under the contract carriage model.

GLNG has identified potential inconsistencies in the delivery of the Draft Capacity Trading Reform and believe these refinements remain aligned with the intent of the reform package.

**1 Exemptions from Part 23 automatic exemption from Part 24 and Part 25**

GLNG considers Part 23 exemption and Part 24/25 exemptions should be linked, such that once exemption has been achieved from Part 23 there is an automatic exemption from Part 24 and 25. This will allow for future changes to the NGR to ensure alignment across these Parts, whilst reducing the administrative burden on both AER, AEMC, AEMO and the entities involved plus ensuring consistency with the NGO.

**2 Consistent exemption from Part 24 and Part 25 for Exempt entities**

GLNG notes that the exemption criteria does not consistently apply to all parts of the Auction and Capacity Trading Platform NGL clauses as intended in the consultation paper. NGR clause 610 *Scope of exemption* limits the exemptions to the two NGL clauses 91BRT *Exemptions from obligation to register* and 228B *Transportation service provider to publish*

*stand operational agreements*, however is not applied to exempt other clauses that are potentially left open to reporting, which is inconsistent with the consultation paper and NGOs.

The following NGL clauses should be exempt via a similar method to ensure there is clarity on the requirements for exempt entities: *228C Formation of contracts on standard form*, *228J Preventing or hindering access to operations transportation services*, and *228K Transportation service provider providing operational transportation services must not discriminate*. Similarly, NGR clauses 636, 637, 638, 639 and 640 refer to *Transportation facility* rather than the *Part 24 facility*, hence in the current draft there potentially remains an obligation for *exempt facilities* against these clauses.

If these suggestions are not applied consistently then there may be obligations imposed on otherwise exempt entities that are contrary to the intent of the reforms to exempt transportation facilities that do not offer third party access or only offer single user shipper access.

### **3 Cost allocation to Exempt Participants**

Clause *135CA Development of participant fee structure 4A*, now allows for fees to be charged to exempt participants, *'even if those costs do not involve that Registered participant'*. The outcome that an exempted participant should pay a fee for costs that do not involve that participant appears unjust and unfair.

The methodology for determining the fee structures appears unclear and it is difficult to ascertain how fees will be distributed. GLNG contends that exempt entities should be exempt from fees in relation to the Capacity Trading Reforms.

### **4 Time swaps to be considered *excluded transactions***

GLNG acknowledges that *location swaps* are considered *excluded transactions* from *BB capacity transaction* classification. GLNG notes that similarly *time swaps* should also be *excluded transactions* due to the nature of the transaction offering greater flexibility than a standard transaction, hence not resembling a *BB capacity transaction*.

These adjustments have also been captured in the feedback form provided by the GMRG to assist with review. GLNG considers that the amendments recommended in our submission are consistent with National Gas Objective and the COAG Energy Council's Australian Gas Market Vision. We would welcome the opportunity to discuss these recommendations ahead of the implementation of the law, regulation and rule changes. Please contact Vanessa Taylor from GLNG via email on [Vanessa.taylor@glng.com](mailto:Vanessa.taylor@glng.com) or via telephone on (07) 3838 3009.

Yours sincerely,



Rod Duke  
Chief Executive Officer  
GLNG Operations Pty Ltd

## Attachment 2 Capacity Trading Reform Package Legal & Regulatory – Consultation, GLNG feedback (in standard template)

### 1. Explanatory note questions

Questions		Feedback
3.4 Questions on the overall legal and regulatory framework		
1.	Do you believe the proposed amendments to the NGL, Regulations and NGR implement the design of the capacity trading reforms effectively? If not, why not?	
2.	Do the market bodies have adequate powers to do what they need to do to facilitate the outcomes sought by the reforms?	
3.	Do you agree with the GMRG's recommendation with regard to which rules are classified as civil penalty and/or conduct provisions (see Appendix A)? If not, why?	
4.	Are there any changes to the NGL, Regulations or NGR that you consider are necessary to ensure parties are unable to game or undermine the intended objective of the reform package?	
5.	Are any other transitional rules not currently included in Schedule 5 required? If so, what are they and why are they required?	
4.1.1 Exemptions		
6.	<p>Having regard to the objectives of the capacity trading reforms and the Energy Council's approval of the GMRG's recommendation on coverage of the auction, do you agree with the proposal to:</p> <ul style="list-style-type: none"> <li>Item 6.1. Apply the same exemption criteria to the obligation to publish a standard operational agreement and the auction? If not, why?</li> <li>Item 6.2. Replace the single end-user facility criterion, with a single shipper criterion? If not, why?</li> </ul>	<p><b>Item 6.0.1</b> GLNG considers Part 23 exemption and Part 24/25 exemptions should be linked, such that once exemption has been achieved from Part 23 there is an automatic exemption from Part 24 and 25. This will allow for future changes to the NGR to ensure alignment across these Parts, whilst reducing the administrative burden on both AER, AEMC, AEMO and the entities involved plus ensuring consistency with the NGO.</p> <p><b>Item 6.0.2</b> GLNG notes that the exemption criteria does not consistently apply to all parts of the Auction and Capacity Trading Platform NGL clauses as intended in the consultation paper. NGR clause 610 Scope of exemption limits the exemptions to</p>

	Questions	Feedback
		<p>the two NGL clauses 91BRT Exemptions from obligation to register and 228B Transportation service provider to publish stand operational agreements, however is not applied to exempt other clauses that are potentially left open to reporting, which is inconsistent with the consultation paper and NGOs.</p> <p>The following NGL clauses should be exempt via a similar method to ensure there is clarity on the requirements for exempt entities: 228C Formation of contracts on standard form, 228J Preventing or hindering access to operations transportation services, and 228K Transportation service provider providing operational transportation services must not discriminate.</p> <p>If these suggestions are not applied consistently then there may be obligations imposed on otherwise exempt entities that are contrary to the intent of the reforms to exempt transportation facilities that do not offer third party access or only offer single user shipper access.</p> <p><b>Item 6.1</b> GLNG contends that a consistent approach to the exemption criteria should be used for both the Auction and the Capacity Trading Platform, as this ensures that entities that have established exemption from the Auction (due to no third party access or single shipper) are also not required to offer capacity through the Capacity Trading Platform via the standard operational agreement.</p> <p><b>Item 6.2</b> GLNG endorses the proposed replacement of the single end-user facility criterion, with a single shipper criterion as currently drafted version, where the definition of a single user is linked to a single shipper definition and is consistent with Part 23.</p> <p><b>Item 6.2</b> GLNG repeats its view that the exemption criteria does not consistently exempt all parts of the Auction and Capacity Trading Platform NGL clauses as intended in the consultation paper.</p>
7.	Do you think the following definition of 'Part 24 compression service facility' will achieve the objective of capturing stand-alone compressors,	<b>Item 7.0</b> GLNG contends this definition could be further refined to limit transmission pipelines to those that are not exempt from Part 23 and similarly Part 24 from the



Questions	Feedback
<p>such as the Moomba, Ballera, Wallumbilla and Iona compression facilities, but excluding other compression facilities (e.g. compression facilities that form part of the pipeline that are used to provide an integrated service and upstream compression facilities? If not, please explain what amendments you think need to be made to this definition.</p> <p><b>Part 24 compression service facility</b> means a compression service facility that is or may be used to transport natural gas between a transmission pipeline operating at lower pressure and a transmission pipeline operating at higher pressure in order to facilitate the flow of natural gas between two or more receipt or delivery points where the receipt or delivery points are located on different transmission pipelines</p>	<p>definition of a pipeline as there should be no benefit to capture compression that is directly connected to an exempt transmission pipeline.</p>
8.	<p>GLNG notes that this is inconsistent to Part 23 and does not appreciate the need to have this differentiation. A period is required to allow the facilities to commence drafting an appropriate standing operational agreement. GLNG notes that there should be an appropriate test to validate the request, plus they would need to have capacity available for the entity to take up prior to the requirement for a SOA being required to be drafted.</p>
9.	<p>GLNG notes that this is inconsistent to Part 23 and does not appreciate the need to have this differentiation.</p>
4.1.2 Governance model for the Code	
10.	
11.	<p>GLNG supports a broader membership as the current draft of the OTS Code Panel has a narrow composition and could potentially provide distorted representation, hence a broader review process may provide more valid outcomes.</p>
4.1.3 Measures to address contractual limitations in facility agreements	
12.	

	Questions	Feedback
	prescriptive provisions in the NGR to overcome the limitations on capacity trading in facility agreements? If not, please explain why.	
13.	Do you think the 30 day period allowed for service providers to respond to a shipper seeking an amending agreement is appropriate? If not, why?	
14.	Do you agree with the principles that service providers will be required to give effect to when amending the facility agreement in rule 642?	
15.	Do you agree with the proposal to require service providers to comply with the change in receipt and delivery point provisions in rule 643?	
16.	<p>Do you agree with the proposal in rule 643(6) to restrict the ability of service provider's to make its consent on a receipt or delivery point change conditional on obtaining the consent of a third party but only:</p> <p>(a) where the transportation service provider would be in breach of contract if it gave effect to the request without the consent of the third party; and</p> <p>(b) if the third party is another transportation facility user or an associate of another transportation facility user, the requirement to obtain that person's consent arises under a contractual provision entered into before 3 January 2018.</p> <p>If not, why?</p>	
<b>4.1.4 Governance arrangements for the specification of zones</b>		
17.	Do you agree with the GMRG's proposed change to the governance arrangements for the specification of zones? If not, please explain why not and set out the arrangements that you think should be employed.	
18.	Do you agree with the specification of the principles that AEMO would be required to have regard to when determining the allocation of service points to zones? If not, please set out why not and any amendments you would propose to these principles.	
19.	Do you agree with the information disclosure obligations that service providers would be subject to under the NGR?	

	Questions	Feedback
20.	Do you think any additional guidance on the specification of zones is required in the NGR?	
4.1.5 Other matters		
21.	Do you think the proposed service provider cost recovery arrangements provide sufficient protection against the risk of 'gold plating' or 'cost shifting'? If not, please explain why and identify any other measures you think should be employed.	
5.1.1 Grandfathered rights		
22.	Do you think the proposal to limit the availability of grandfathered rights to gas fired generators for use at their generation plant is appropriate? If not, please explain why	
23.	Do you think the proposed two-year transitional period for grandfathered rights is appropriate? If not, please explain why.	
24.	Are there any other limitations that you think should be placed on the availability and/or use of grandfathered rights?	
5.1.2 Contract path specification		
25.	<p>Do you agree with the GMRG's proposal to use the hybrid model for forward haul and compression services? If not, please explain why and in doing so:</p> <ul style="list-style-type: none"> <li>▪ set out the approach you think should be employed; and</li> <li>▪ why you think this approach is more consistent with the objectives of the capacity trading reform package, the NGO and the Energy Council's Vision.</li> </ul>	
26.	Do you agree with the proposal to allow AEMO to determine the backhaul receipt and delivery points to be included in the auction? If not, please explain why	
27.	If AEMO is to determine the backhaul points to be included in the auction, do you think any principles need to be included in the NGR to guide this	



	Questions	Feedback
	decision, or should it just be carried out by reference to the Part 25 objective and the NGO?	
<b>5.1.3 Methodology used to calculate auction quantity limits</b>		
28.	Do you agree with the proposal to require the methodology to be used to calculate the auction quantity limits to be specified in the Auction Procedures? If not, why?	
29.	Do you think any additional principles need to be included in the NGR to guide AEMO's development of this methodology? If so, please specify the principles and why you think they are required.	
<b>5.1.4 Other matters</b>		
30.	Do you think the balance that has been struck between the various legal and regulatory instrument is appropriate? If not, what changes do you think need to be made to achieve a better balance?	
31.	Do you think there are any contractual or other legal impediments to prevent auction facility operators giving effect to the results of the auction and auction service priorities? If so, what are they and how do you think they could be addressed?	
	Do you think information on intra-day curtailments to capacity sold in the auction should be published on the Bulletin Board during the gas day? If so:	
32.	<ul style="list-style-type: none"> <li>■ What benefit do you think it would provide?</li> <li>■ Do you think the obligation to report this information should be limited to material curtailments (e.g. where the capacity sold in the auction is curtailed by more than 10%)?</li> </ul>	
33.	Do you think information on the grandfathered rights that have been scheduled ahead of the auction should be published on the Bulletin Board after the gas day? If so, what benefit do you think it would provide?	



Questions	Feedback
34. Are there any other types of information that you think could be published that have not already been identified, which would allow auction participants to better understand the risks?	
<b>7.1 Allocation arrangements</b>	
35. Do you have any concerns with allocation agents that operate at points through which gas is injected into or withdrawn from a Part 24 facility being required to provide AEMO with the information set out in Table 7.1?	
36. Is there other information regarding allocation arrangements that should be published to ensure these agreements do not act as a barrier to trade?	
<b>8.1 Transitional arrangements</b>	
37. Are the provisions in the NGL and Part 26 of the NGR sufficient to trigger change of law provisions and enable changes required to existing contracts to implement the harmonisation of the gas day start time and, as applicable, the nomination cut-off time? If not, why?	
38. With regard to the information required to be published by facility operators: <ul style="list-style-type: none"> <li>Do you think transitional rule 4, Part 6 (Schedule 5) will facilitate coordination between interconnected facilities and AEMO without being overly burdensome on facility operators? If not, why?</li> <li>Is the 30 June 2019 cut-off date for publication appropriate? If not, when should this information be required to be published and why?</li> </ul>	
<b>9.1 Key timings</b>	
39. Do you have any concerns with the timings outlined Chapter 9? If so, what are they and how do you suggest the timings are adjusted?	
40. In the event the capacity trading reforms are applied in the Northern Territory, do you believe the timings set out in Table 9.4 are appropriate? For example: <ul style="list-style-type: none"> <li>Part 18 of the NGR uses 'NT application date', defined as the date falling 90 days after the date on which the first NT interconnector is</li> </ul>	

	Questions	Feedback
	<p>commissioned, to determine when Part 18 applies to facilities in the NT. Following this 90 day period, BB facilities that are also NT facilities have 20 business days to apply to AEMO to register under Part 18. In practice, this means that NT auction facilities may be subject to the capacity auction (which commences on the date falling 80 business days after commissioning), prior to publishing information on the Bulletin Board. Should the Part 18 obligations come into effect for NT auction facilities prior to the commencement of the auction?</p>	

## 2. National Gas Laws Amendments (Capacity Trading and Auctions)

Amendment	Issue	Feedback
Schedule 1	Amendment of National Gas Law	
1	Section 2 (1), definition of "Bulletin Board information"	
2	Section 2 (1), various new definitions	
3	Section 2 (1), definition of "Initial National Gas Rules"	
4	Section 2 (1), definition of "Natural Gas Services Bulletin Board"	
5	Section 8 (3)	<p><b>[5] Section 8 (3)</b></p> <p>Insert after section 8 (2):</p> <p>(3) If AEMO controls or operates (without at the same time owning) a compression service facility or another facility of a type prescribed by the Regulations for the purposes of paragraph (c) of the definition of <i>transportation facility</i> in this section, AEMO is not for that reason to be taken to be a transportation service provider for the purposes of this Law.</p> <p>GLNG is unclear how this additional power is relevant to the East Coast Gas market and would appreciate further clarification to the requirement for this clause and examples of why this clause is required, prior to its introduction.</p>
6	Section 27 Functions and powers of the AER	
7	Section 74 Subject matter for National Gas Rules	
8	Section 74 (1) (aab)–(aad)	
9	Section 74 (3) (fb)	
10	Sections 83B–83D	
11	Section 91A— AEMO's statutory functions	
12	Section 91A (1) (gb) and (gc)	
13	Chapter 2, Part 6, Divisions 2C–2E	
14	Chapter 2, Part 6, Division 6, Subdivisions 3 and 4	<p><b>91FEE Obligation to give information to AEMO</b></p> <p>GLNG notes that these clauses may be exempt via the NGR however there is a lack of clear exemption within the NGR.</p>

15	Section 91GG Disclosure of protected information for safety, proper operation of the market etc	
16	Section 91H Obligations under Rules or Procedures to make payments	<p><b>[16] Section 91H Obligations under Rules or Procedures to make payments</b>  <i>participant fees means fees payable by Registered participants under this Division.</i></p> <p>Clause 135CA Development of participant fee structure 4A, now allows for fees to be charged to exempt participants, 'even if those costs do not involve that Registered participant'. The outcome that an exempted participant should pay a fee for costs that do not involve that participant appears unjust and unfair.</p> <p>The methodology for determining the fee structures appears unclear and it is difficult to ascertain how fees will be distributed. GLNG contends that exempt entities should be exempt from fees in relation to the Capacity Trading Reforms.</p>
17	Section 218 AEMO's obligation to maintain Bulletin Board	
18	Section 219 AEMO's other functions as operator of Natural Gas Services Bulletin Board	
19	Section 223 Obligation to give information to AEMO about natural gas and natural gas services	
20	Section 223A	<p><b>223A Obligation to give information to AEMO about secondary capacity transactions</b></p> <p>GLNG acknowledges that sub-clause (3) allows for the NGR to exempt this clause via the NGR, however we cannot locate the corresponding exemption in the Rules to align with this clause.</p>
21	Section 224 Person cannot rely on duty of confidence to avoid compliance with obligation	
22	Chapter 7A	<p><b>228C Formation of contracts on standard terms</b>  <b>228I When operational transfer must be offered</b>  <b>228J Preventing or hindering access to operational transportation services</b>  <b>228K Transportation service provider providing operational transportation services must not price discriminate</b></p>



		GLNG notes that these clauses may be exempt via the NGR or are no longer relevant for exempt entities due to clause 228B <i>Transportation service providers to publish standard operational agreements</i> , however there appears a lack of clear exemption within the NGR.
23	Section 294G	
24	Section 322 Service provider may enter into agreement for access different from applicable access arrangement	Insert "section 83C and" after "Subject to". GLNG question whether this was meant to refer to 'section 228E' being 228E Service provider may enter into agreements different from standard operational agreement, rather than 83C Implementation of standard market timetable.
25	Schedule 1-Subject matter for the National Gas Rules	
26	Schedule 1, items 55T	
27	Schedule 1, items 68A-68G	
28	Schedule 1, item 69A	
<b>Schedule 2</b>		
1	Amendment of National Gas Regulations	
2	Regulation 5A Definition of compression service facility	
3	Regulation 10 Maximum civil monetary liabilities	
4	Regulation 10 (1) (dc) and (dd)	
5	Regulation 10 (1) (e)	
6	Regulation 10 (2)	
7	Regulation 10 (2) (d) and (e)	
8	Regulation 10 (3), definition of "prescribed amount"	
9	Regulation 10 (3), definition of "relevant event"	
10	Schedule 2 Exclusions from definition of pipeline	
11	Schedule 3 Civil penalties	
12	Schedule 4 Conduct provisions	



### 3. National Gas Rules

#### Part 15A Registered Participants

Draft Rules	Issue	Feedback
Division 3	Participant fees	
135C	Definitions	
135CA	Development of participant fee structure	<p>Clause 135CA <i>Development of participant fee structure 4A</i>, now allows for fees to be charged to exempt participants, 'even if those costs do not involve that <i>Registered participant</i>'. The outcome that an exempted participant should pay a fee for costs that do not involve it appears unjust and unfair.</p> <p>The methodology for determining the fee structures appears unclear and it is difficult to ascertain how fees will be distributed. GLNG contends that exempt entities should be exempt from fees in relation to the Capacity Trading Reforms.</p>
135CC	Components of participant fees	
135CF	Budgeted revenue requirements	

## Part 18 Natural Gas Services Bulletin Board

Draft Rules	Issue	Feedback
Division 1	Interpretation and application	
141	Interpretation	<p><b>excluded transaction</b> means:</p> <p>(a) the use of transportation capacity to satisfy an obligation to deliver natural gas under an agreement for the supply of natural gas;</p> <p>(b) an agreement to swap a quantity of natural gas at a location for a quantity of natural gas at another location; or</p> <p>(c) a novation of an agreement with a transportation service provider (by termination and replacement with an agreement with the transportation service provider in the same or similar terms).</p> <p>GLNG acknowledges that location swaps are considered <b>excluded transactions</b> from <b>BB capacity transaction</b> classification. GLNG notes that similarly time swaps should also be <b>excluded transactions</b> due to the nature of the transaction offering greater flexibility than a standard transaction, hence not resembling a <b>BB capacity transaction</b>.</p> <p><b>BB capacity transaction</b> means a secondary capacity transaction that relates to transportation capacity for use of a <b>BB transportation service</b>, whether or not the transaction relates to any other matter, and is not an <b>excluded transaction</b>.</p> <p><b>BB transportation service</b> means:</p> <p>(a) a pipeline service that is or is in the nature of:</p> <ul style="list-style-type: none"> <li>(i) a forward haul service or a backhaul service (whether or not described by another name);</li> <li>(ii) a service for the storage of natural gas (sometimes called a park service); or</li> <li>(iii) a service for the borrowing of natural gas (sometimes called a loan service); and</li> </ul> <p>(b) a service provided by means of a compression service facility, but does not include a pipeline service provided by means of a distribution pipeline.</p> <p>GLNG notes that in the current draft there potentially remains an obligation to report <b>BB capacity transactions</b> on exempt entities, hence either of these definitions would benefit from linking this definition to <b>Part 24 Facility</b> (as this excludes <b>exempt facilities</b>) as otherwise there may be an obligation to report transactions that are not relevant to</p>

Draft Rules	Issue	Feedback
		<p>the market ie facilities that are exempt. It would be beneficial to ensure there is consistency in the exemption method throughout the NGL and NGR.</p> <p>GLNG recommends that consistent with the consultation paper, entities that are exempt via NGR Part 24 clause 610 (no third party or single shipper criterion) are also exempt from reporting requirements.</p>
Division 2	Bulletin Board	
147	AEMO to maintain BB Register	
Division 3	Register and registration	
158A	Obligation to register as BB allocation agent	
158B	Obligation to register BB allocation point	
158C	Registrations for capacity transaction reporting	
158D	Appointment of capacity transaction reporting agent	
160	AEMO to register	
161	Revocation of registration	
Division 4	Information standard and related obligations	
165	Standard for information or data given under this Part or the BB Procedures	
Division 5	Information to be provided by BB reporting entities	
168	Nameplate rating information	
170A	Allocation methodology and agreement	
174	[Not used]. – Deletion of Secondary trade date for BB pipelines	
190A	Obligation to report	<p>GLNG notes that in the current draft there potentially remains an obligation to report <i>BB capacity transactions</i> on exempt entities, hence either of definition of <i>BB capacity transaction</i> or <i>BB transportation service</i> would benefit from linking this definition to <i>Part 24 Facility</i> (as this excludes <i>exempt facilities</i>) as otherwise there may be an obligation to report transactions that are not relevant to the market ie facilities that are exempt. It would be beneficial to ensure there is consistency in the exemption method throughout the NLG and NGR.</p> <p>GLNG recommends that consistent with the consultation paper, entities that are exempt via NGR Part 24 clause 610 (no third party or single shipper criterion) are also exempt from reporting requirements.</p>



Draft Rules	Issue	Feedback
190B	Reporting by the GSH Operator	
Division 7	Publication of information by AEMO	
195A	Publication of capacity transaction information	
195B	Publication of capacity auction information	

## Part 22 Gas Trading Exchange

Draft Rules	Issue	Feedback
Division 1	Preliminary	
533	Definitions	
Division 2	Operator	
534	Fees recoverable by AEMO	
536	Determination of payments on close out	
536A	Payments where primary facility agreement is terminated	

## Part 24 Facilitating capacity trades and the capacity auction

Draft Rules	Issue	Feedback
Division 1	Preliminary	
591	Application	
592	Structure of this Part	
593	Definitions and interpretation	
594	Part 23 does not apply	
Division 2	Operational Transportation Service Code	
595	Objective and effective date	
596	Content of the Code	
597	Standard operational transportation services and auction services	
598	Standard terms and facility specific terms	
599	Establishment and operation of the OTS Code Panel	
600	Functions of the Operational Transportation Service Code Panel	
601	Code modification proposals	
602	Consultation by the OTS Panel	
603	AER response to OTS Code Panel recommendations	
604	Code modifications	
605	Principles for making Code modification decisions	
606	Members of the OTS Code Panel	
607	Nomination, election and appointment of members	
608	Obligations of OTS Code Panel members	
609	Meetings of the OTS Code Panel	
Division 3	Exemptions and registration	
610	Scope of exemptions	
611	Exemptions granted by the AER	
612	Exemption conditions	
613	Revocation	
614	Making and form of application	

615	Decision on application	
616	Decision to vary or revoke an exemption	
617	AEMO to maintain register and publish guide	
618	Registration of transportation service providers	
619	Obligation to register Part 24 facilities	
620	Multiple transportation service providers for a Part 24 facility	
621	Change of transportation service provider	
622	Application for registration	
623	AEMO to register applicants and their facilities	
624	Revocation of registration	
Division 4	Matters for the Capacity Transfer and Auction Procedures	
625	Information about contracts	
626	Service point and pipeline segment specifications	
627	Allocation to zones	GLNG believes that AEMO should consult with shippers as part of defining the zones, where this is potentially unclear as to the level of consultation that will occur.
628	Principles for determining zones	
629	Transportation service point register and information about zones	
630	Interface with the STTM and the DWGM	
Division 5	Obligations of transportation service providers relating to standard form agreements	
631	Obligation to publish	
632	Content of standard operational agreements	
633	Amendments to standard operational agreements	
634	Recovery of standardisation costs	
635	AER review of standard form agreements	
636	Requests for standard operational agreements	GLNG notes that clauses 636, 637, 638, 639 and 640 refer to <i>Transportation facility</i> rather than the <i>Part 24 facility</i> , hence in the current draft there potentially remains an obligation against these clauses for exempt facilities. Therefore GLNG recommends linking these clauses to a <i>Part 24 Facility</i> (as this excludes <i>exempt facilities</i> ) as otherwise there may be an obligation that is not relevant to the market ie on facilities that are exempt. It would be beneficial to ensure there is consistency in the exemption method throughout the NLG and NGR.



637	Offers for standard operational agreements	GLNG notes that clauses 636, 637, 638, 639 and 640 refer to <i>Transportation facility</i> rather than the <i>Part 24 facility</i> , hence in the current draft there potentially remains an obligation against these clauses for exempt facilities. Therefore GLNG recommends linking these clauses to a <i>Part 24 Facility</i> (as this excludes <i>exempt facilities</i> ) as otherwise there may be an obligation that is not relevant to the market ie on facilities that are exempt. It would be beneficial to ensure there is consistency in the exemption method throughout the NLG and NGR.
<b>Division 6</b>	<b>Other service provider obligations</b>	
638	Giving effect to operational transfers	GLNG notes that clauses 636, 637, 638, 639 and 640 refer to <i>Transportation facility</i> rather than the <i>Part 24 facility</i> , hence in the current draft there potentially remains an obligation against these clauses for exempt facilities. Therefore GLNG recommends linking these clauses to a <i>Part 24 Facility</i> (as this excludes <i>exempt facilities</i> ) as otherwise there may be an obligation that is not relevant to the market ie on facilities that are exempt. It would be beneficial to ensure there is consistency in the exemption method throughout the NLG and NGR.
639	Service continuity for primary service termination or suspension	GLNG notes that clauses 636, 637, 638, 639 and 640 refer to <i>Transportation facility</i> rather than the <i>Part 24 facility</i> , hence in the current draft there potentially remains an obligation against these clauses for exempt facilities. Therefore GLNG recommends linking these clauses to a <i>Part 24 Facility</i> (as this excludes <i>exempt facilities</i> ) as otherwise there may be an obligation that is not relevant to the market ie on facilities that are exempt. It would be beneficial to ensure there is consistency in the exemption method throughout the NLG and NGR.
640	Amendment of facility agreements	GLNG notes that clauses 636, 637, 638, 639 and 640 refer to <i>Transportation facility</i> rather than the <i>Part 24 facility</i> , hence in the current draft there potentially remains an obligation against these clauses for exempt facilities. Therefore GLNG recommends linking these clauses to a <i>Part 24 Facility</i> (as this excludes <i>exempt facilities</i> ) as otherwise there may be an obligation that is not relevant to the market ie on facilities that are exempt. It would be beneficial to ensure there is consistency in the exemption method throughout the NLG and NGR.
641	New facility agreements	
642	Principles for terms to facilitate sale by operational transfer	
643	Changes to pipeline service points	



## Part 25 Capacity Auction

Draft Rules	Issue	Feedback
<b>Division 1 Preliminary</b>		
645	Objective	
646	This Part	
647	Definitions and interpretation	
648	Pipeline classification	
649	Auction information standard	
<b>Division 2 Capacity auction</b>		
650	Auction services	
651	Auction service priority principles	
652	Capacity auction design principles	
653	Auction quantity limits	
654	Application and information	
655	Giving effect to auction results	
656	Establishment and operation of the capacity auction	
657	Auction Procedures and auction agreement	
658	Suspension and termination of an auction participant	
659	Fees recoverable by AEMO	
660	Auction amounts payable by auction participants	
<b>Division 3 Market conduct and nomination rules</b>		
661	General requirements	
662	Conduct in relation to auctions	
663	Nominations and renominations must not be false or misleading	
664	AER monitoring	
665	Facility operators to keep nomination and scheduling records	
666	Renomination records of transportation facility users	
<b>Division 4 Payment of capacity auction revenues</b>		
667	Billing period settlement amounts for facility operators	
668	Final statements	

669	Payments	
670	Settlement queries and disputes	
671	Revised statements	
672	Payment of adjustments	
673	Maximum total payment in respect of a billing period	
674	Interest on overdue amounts	
675	Application of GST	



**Part 26 Standard market timetable**

Draft Rules	Issue	Feedback
676	Application of this Part	
677	Definitions and interpretation	
678	Standard market timetable	

## Schedule 5 Transitional Provisions for the introduction of the capacity trading reforms

Draft Rules	Issue	Feedback
<b>Part 1</b>	<b>Transitional arrangements for Part 15B</b>	
1	Definition	
2	Initial Procedures	
<b>Part 2</b>	<b>Transitional arrangements for Part 18</b>	
1	Definitions	
2	Commencement of secondary reporting obligations	
3	Allocation agents and allocation points on the commencement date	
4	Former remote pipelines	
<b>Part 3</b>	<b>Transitional arrangements for Part 24</b>	
1	Definitions	
2	Code modifications	
3	Northern Territory exemption	
4	Transitional Part 24 exemptions	
5	Registration in relation to Part 24 facilities on the Part 24 commencement date	
6	Initial transportation service point register	
7	Capacity trading platform commencement	
<b>Part 4</b>	<b>Transitional arrangements for new Part 25 (other than compression reporting)</b>	
1	Definitions	
2	Capacity auction start date	
3	Protected services	
4	Facility operator nomination and scheduling records	
5	Renomination records	
<b>Part 5</b>	<b>Transitional arrangements for reporting by compression service facilities</b>	
1	Definitions and interpretation	
2	Application	
3	Information standard and related matters	
4	Capacity Transfer and Auction Procedures	

Draft Rules	Issue	Feedback
5	Nameplate rating information	
6	Detailed facility information	
7	Gas day start times	
8	Short term capacity outlooks	
9	Linepack/capacity adequacy indicator	
10	Nominated and forecast use of compression facilities	
11	Daily production data	
12	Publication by AEMO	
Part 6	Transitional arrangements for the standard market timetable	
1	Definitions	
2	Use of standard market timetable	
3	Information about gas market transition	
4	Information about natural gas facility transition	GLNG notes that the requirement to report should be aligned to the Part 24 and Part 25 exemption criteria, hence if exempt then again exempt from this reporting requirement.

## 4. Operational Gas Transportation Agreement Code

Clause	Issue	Feedback
Part 1	This code	
1	Introduction	
2	Definitions and interpretation	
3	Contents of this Code	
Part 2	Form of agreement – operational transportation services agreement	
1	Agreement documents	
2	Definitions and interpretation	
3	Agreement details	
Part 3	Standard terms - operational and commercial terms	
1	Definitions and interpretation	
2	Services	
3	Service Standards	
4	Nominations and Scheduling	
5	System Use Gas	
6	Hourly Limitations	
7	Curtailment	
8	Park Account	
9	Maintenance	
10	Gas Quality	
11	Pressure and Temperature	
12	Imbalance	
13	Unauthorised Overrun	
14	Use of Delivery Points and Receipt Points	
15	Metering and Apportionment	
16	Title, Risk, Responsibility and Co-ordination	
17	Liability	
18	Force Majeure Events	
19	Charges and Payment	



Clause	Issue	Feedback
20	GST	
21	Standing, Insurance and Credit Support	
22	Suspension and Termination	
23	Dispute Resolution	
24	Assignment/Novation	
25	Representations and Warranties	
26	Confidentiality	
27	Notices	
28	Bilateral Trades	
29	Miscellaneous	
<b>Part 4</b>	<b>Description of services – operational TSA</b>	
1	Traded Forward Haul Service	
2	Traded Park Service	
3	Traded Compression Service	
4	Forward Haul Auction Service	
5	Backhaul Auction Service	
6	Compression Auction Service	
<b>Part 5</b>	<b>Requirements for facility specific terms – operational TSA</b>	
1	General	
2	Definitions in Facility Specific Terms	
3	Other Services	
4	Scheduling	
5	Priority Principles	
6	System Use Gas	
7	Hourly Limitations	
8	Pressure and Temperature	
9	Charges	
10	Imbalance	
11	Odourisation	
12	Metering Principles	

Clause	Issue	Feedback
13	Operational Communications	
14	Compressor Operation	
15	Compression Services	
16	Receipt and Delivery Points	
17	Trading – other entitlements	
18	Accommodating Differences in Gas Days	
19	Specific Facility Issues	