

Gas Market Reform Group  
Australian Energy Market Commission  
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6 October 2017

**Submission: Standardisation Related Reforms and the Capacity Trading Platform - Consultation Paper**

Jemena welcomes the opportunity to provide a submission to the Standardisation Related Reforms and the Capacity Trading Platform Consultation Paper (the **Paper**). Jemena owns and operates a diverse \$9 billion portfolio of gas and electricity distribution and transmission assets across the east coast of Australia.

We are committed to working constructively with the Gas Market Reform Group (the **GMRG**) and are:

- supportive of the establishment of a liquid gas market on the east coast of Australia; and
- actively contributing to achieving the National Gas Objective.

We are however, concerned about the overall gas market reform process to date. The consultation process for the GMRG work needs to be improved, to ensure that the impacts on the pipeline sector and the broader gas market are adequately considered. Jemena continues to advocate that the development of the reforms should be premised on the concept of 'fit-for-purpose' which incentivises commercially-minded outcomes and minimise costs to market participants and customers.

We stress that ensuring that the incentives for investment in this critical infrastructure remain intact is critical for meeting the long-term interests of customers. Our track record speaks for itself when it comes to delivering an affordable and reliable service for our customers. The ability to meet our customer's needs has been underpinned by operating on the basis of delivering the right infrastructure, in the right place, at the right time.

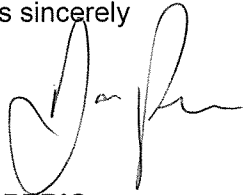
Jemena has committed to over \$1 billion of investment in pipeline infrastructure in the last 3 years, including the Northern Gas Pipeline (the **NGP**). The NGP will connect northern gas supplies with the east coast gas market, which will be critical to solving the east coast gas crisis by delivering new gas supply to where it is needed most.

We are also the only pipeline operator currently investing in critical new pipeline infrastructure. As part of this investment in the NGP, Jemena is fostering economic development in regional areas, with 600 of the 900 jobs created during construction earmarked for people living in the communities surrounding the pipeline route.

We have always worked to provide flexibility in our service provision and work proactively to ensure pipeline capacity is available to meet our customer's needs on fair and reasonable terms.

If you have any queries regarding our submission, please contact Andrew Zancanaro, Southern Pipelines Commercial Manager (03 9173 7835) in the first instance or alternatively me (03 9173 7966).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jan Peric', written in a cursive style.

**JAN PERIC**

**GENERAL MANAGER PIPELINE MARKETS**