

Australia Pacific LNG Pty Ltd & Ors: Application for Re-authorisation of A91516 and A91517

RESPONSE TO DRAFT DETERMINATION

24 June 2021

1. The Applicants in this matter, Australia Pacific LNG Pty Limited, QCLNG Operating Company Pty Ltd and GLNG Operations Pty Ltd (together, the **Applicants**) have reviewed the Draft Determination and Interim Authorisation Decision issued by the Australian Competition and Consumer Commission (**ACCC**) on 5 May 2021.
2. The Applicants have also reviewed the submission lodged with the ACCC on 21 May 2021 by Mr Robbie Flood, Manager Gas Market Monitoring, AEMO (**AEMO Submission**).
3. The Applicants note that AEMO, like the Applicants, is concerned about the potential for duplication of reporting to the Gas Bulletin Board (**GBB**) if the ACCC's Final Determination mirrors the form of the Draft Determination. The AEMO Submission has proposed suggestions to remove reporting duplication and improve efficiencies.
4. The Applicants agree that removing duplication is important to ensure that the Maintenance Information provided to the market is timely and meaningful, and the administrative burden on the Applicants is minimised.
5. In the submission of 24 February 2021, the Applicants proposed that the Condition be replaced by reporting pursuant to the Gas Transparency Measures (**GTM**) under the National Gas Law at the time those measures commence. The GTM will require reporting information about matters expected to affect the daily capacity of each LNG Facility for an outlook period of 12 months (ie, reporting on a rolling, forward looking, basis). The Applicants note the ACCC's concern about the potential for residual information asymmetry to arise in a scenario where the LNG Facilities could discuss scheduled maintenance activities that would affect capacity beyond a 12 month window but were only obliged to report on capacity within a 12 month window.
6. The Applicants have now had the opportunity to consider AEMO's proposal for reporting under the GTM. We understand that AEMO can ensure the Medium Term Capacity Outlook (**MTCO**) reporting function on the Bulletin Board will enable the effective and accurate reporting of Maintenance Information, including by allowing the Applicants to report Maintenance Information about scheduled maintenance activities to be performed in a period beyond 12 months where that is required by the Condition.
7. That is, by the commencement of the GTM, AEMO could amend the MTCO functionality to permit the Applicants to input:
 - (a) information identifying their particular LNG Facility (as currently required by paragraph 2(a) of the Condition); and
 - (b) their reasonable expectation of the dates when scheduled maintenance activities will occur that have been the subject of conferral between the Applicants, and the reasonable expectation of the impact of such activities on capacity, as expressed in terajoules on those dates (as currently required by paragraph 2(b) of the Condition)
8. With this amendment to the MTCO functionality, the Applicants submit that reporting under the GTM at the time of its implementation would:
 - (a) mitigate any risk of information asymmetry occurring between the Applicants and other market participants due to the amended functionality of the MTCO to record

Maintenance Information which must be disclosed as required by the Condition beyond a 12 month window;

- (b) wholly satisfy the reporting obligations that arise under the Condition; and
 - (c) remove the risk of reporting duplication and improve efficiencies.
9. The Applicants therefore repeat the request for the proposed amendment to the Condition set out in the Submission to the ACCC of 24 February 2021, such that the Applicants post Maintenance Information to the GBB as required by the Condition until such time as the implementation of the GTM.
10. In light of the Draft Determination and the views of AEMO, the Applicants also submit that they would be satisfied if, post the implementation of the GTM, where reporting is required under the Condition beyond the 12 month outlook required by the GTM, the Applicants will be compliant with the Condition by reporting either to the GBB as currently occurs, or via the MTCO as proposed by AEMO.