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30 November 2022

Tony Hilton  
Director Competition Exemptions  
Australian Competition & Consumer Commission  
[anthony.hilton@acc.gov.au](mailto:anthony.hilton@acc.gov.au)

Dear Mr Hilton,

### Application for re-authorisation lodged by Western Australian & Northern Territory LNG Producers

Thank you for the opportunity to provide feedback on the joint submission of LNG producers Chevron, INPEX, Shell and Woodside (the Applicants) to revoke the current (original) authorisation AA1000396 (expiring 23 March 2023) and to substitute with authorisation AA1000620.

AEMO understands the Applicants' submission proposes to remove the condition that requires all parties to the authorised conduct (except Shell) to publish maintenance information as soon as practical. The submission seeks re-authorisation on "*substantially the same terms*" with the assertion that the "*Applicants meet the current authorised conduct and will continue to do so under re-authorisation*" through their obligation to report scheduled maintenance under the Gas Services Information (GSI) Rules for their Western Australian facilities. The Applicants seek for the re-authorisation period to be extended from five years to ten years.

AEMO has reviewed the Applicants' submission in the context of our role in the Western Australian gas and electricity markets. This includes administration of the Western Australian Gas Bulletin Board (WA GBB) established under the *Gas Services Information Regulations 2012* and GSI Rules, and the operation of the power system in the South West Interconnected System.

AEMO is supportive of measures that reduce domestic gas supply risks, including the coordination of outages of gas market participants and information transparency on gas production availability. Such measures are especially important in the current coal supply situation, where increased gas consumption will likely be required for electricity generation over the summer period to maintain the security and reliability of the power system.

AEMO notes the Applicants' justifications for removing the reporting condition include the non-eventuation of circumstances (a gas trading hub or short-term trading market in Western Australia) that could foster information asymmetry, and the lack of a "*necessary direct impact of the proposed conduct on the market for the supply and acquisition of domestic gas (DOMGAS) in the Northern Territory and Western Australia*". As noted above, the Applicants also highlight their obligations under the GSI Rules in regard to the reporting of scheduled maintenance, which requires registered parties to provide AEMO with forward notice of any scheduled maintenance work on their facilities<sup>1</sup>.

<sup>1</sup> The WA GBB enabled by the GSI Rules applies to facilities located in Western Australia that are connected to a WA GBB pipeline.

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Under the GSI Rules, Chevron and Woodside are registered as Facility Operators, and Shell is registered as a Gas Shipper. Information reported to AEMO by these (and other) registered parties is made publicly available on the WA GBB<sup>2</sup>, which provides an alternative public record and source of information transparency on the Applicants' scheduled outages in respect of:

- Medium Term Capacity: planned outages over the next 12 months; and
- Capacity Outlook: all outages (planned and unplanned) over the next 7 days.

To-date, Chevron and Woodside have been compliant with their WA GBB reporting obligations as they apply to the Gorgon, Wheatstone, Pluto and Karratha Gas Plant facilities, all of which are Western Australian DOMGAS facilities. It should be noted the Prelude facility (operated by Shell) is excluded from the authorised conduct, and like the Ichthys facility (which is operated by INPEX and located in the Northern Territory), is not connected to a WA GBB pipeline and therefore not represented on the WA GBB.

AEMO is not aware of any operational issues resulting from the current (original) authorisation. Furthermore, we note that the WA GBB reporting obligations are ostensibly more extensive than the reporting condition in the original authorisation. As such, AEMO considers that the terms of the re-authorisation, with respect to the Applicants' Western Australian facilities, do not conflict with the objective of reducing domestic gas supply risks. Where the Applicants remain compliant with their WA GBB reporting requirements, AEMO does not hold concerns regarding the removal of the condition or the proposed increase of the re-authorisation period to ten years.

Thank you again for the opportunity to comment. Should you wish to discuss any of the matters mentioned above, please contact Mena Gilchrist, Manager WA Regulatory Affairs at [REDACTED].

Yours sincerely,

DocuSigned by:  
[REDACTED]  
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Martin Maticka

**Group Manager – WA Market Development**

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<sup>2</sup> The WA GBB may be found at <https://gbbwa.aemo.com.au/#home>