



13 October 2022

## **Submission: Consultation on the Final Report on the Review into extending the regulatory frameworks to hydrogen and renewable gases**

The Australian Pipelines and Gas Association (APGA) represents the owners, operators, designers, constructors and service providers of Australia's pipeline infrastructure, connecting natural and renewable gas production to demand centres in cities and other locations across Australia. Offering a wide range of services to gas users, retailers and producers, APGA members ensure the safe and reliable delivery of 28 per cent of the end-use energy consumed in Australia and are at the forefront of Australia's renewable gas industry, helping achieve net-zero as quickly and affordably as possible.

APGA welcomes the opportunity to contribute to the Australian Energy Market Commission (AEMC) review into extending the regulatory frameworks to hydrogen and renewable gases consultation final report (the **Finale Report**) consultation (the **Consultation**). APGA generally agrees with the approaches taken within the Consultation with some exceptions.

APGA supports a net zero emission future for Australia by 2050<sup>1</sup>. Renewable gases represent a real, technically viable approach to lowest-cost energy decarbonisation in Australia. As set out in Gas Vision 2050<sup>2</sup>, APGA sees renewable gases such as hydrogen and biomethane playing a critical role in decarbonising gas use for both wholesale and retail customers. APGA is the largest industry contributor to the Future Fuels CRC<sup>3</sup>, which has over 80 research projects dedicated to leveraging the value of Australia's gas infrastructure to deliver decarbonised energy to homes, businesses, and industry across the nation.

Many points which APGA could raise regarding the Final Report are specific to circumstances relating to individual assets and companies. These points will be addressed directly by engagement by individual APGA members with the AEMC.

Aside from these aspects, requirements relating to gas blends based on *authorisation to transport* a gas blend need to be considered. An unnecessarily narrow view of authorisation risks misleading market participant behaviour and investment decisions.

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<sup>1</sup> APGA Climate Statement  
<https://www.apga.org.au/apga-climate-statement>

<sup>2</sup> Gas Vision 2050, APGA  
[https://www.apga.org.au/sites/default/files/uploaded-content/website-content/gasinnovation\\_04.pdf](https://www.apga.org.au/sites/default/files/uploaded-content/website-content/gasinnovation_04.pdf)

<sup>3</sup> Future Fuels CRC Website  
<https://www.futurefuelscrc.com/>

## Reporting requirements for gas blends based on authorisation

Some information reporting requirements proposed within the Final Report relating to gas blends is predicated on a pipeline being authorised to transport a gas blend. Such rules include NGR 141(1), NGR 169(4)(a)(iii) and NGR 190G(1)(b) as seen at the end of this section.

Authorisation to transport could refer to a range of differing concepts. A pipeline can be authorised to transport a blend of gases at various levels. Different forms of authorisation may include economic regulation, jurisdictional authorisation and approvals, safety or other service provider procedures and approvals, and relative to customer safe composition limits. It is possible for authorisation under one of these processes to contradict authorisation under another.

The intent of each of the abovementioned rules is to ensure that actual and prospective market participants have an accurate understanding of real blending limits on a pipeline. APGA recommends that all forms of authorisation are considered as valid in the implementation of these rules. To only consider a subset of potential authorisation risks providing incorrect information to market participants which risks misleading market participant behaviour and investment decisions.

### NGR Rules referenced in this section

#### NGR Rule 141(1)

#### **141 Interpretation**

(1) In this Part:

**BB blended gas distribution system** means a distribution system that:

- (a) meets the applicable reporting threshold; and
- (b) transports, or is authorised to transport, a gas blend that is subject to a blending limit.

#### NGR Rule 169(4)(a)(iii)

#### **169 Detailed facility information for all BB facilities**

(4) In this rule, the term **detailed facility information**:

- (a) when used in the context of a BB pipeline, means:
  - (iii) if the BB pipeline transports, or is authorised to transport, a gas blend that is subject to a blending limit, each blending limit and details of the part of the pipeline in which the blending limit applies;

#### NGR Rule 190

#### **190G Gas blend and gas blend curtailment information**

(1) Each month, by the fifth gas day in the month, a BB reporting entity for:

(b) a BB pipeline that transports, or is authorised to transport, a gas blend and is subject to or applies a blending limit,

must provide to AEMO:

(c) the gas blend information for the BB facility for the previous month; and

(d) the gas blend curtailment information for the BB facility for the previous month.

To discuss any of the above feedback further, please contact me on +61 422 057 856 or [jmccollum@apga.org.au](mailto:jmccollum@apga.org.au).

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'JM', is positioned above the typed name.

JORDAN MCCOLLUM  
National Policy Manager  
Australian Pipelines and Gas Association