Submission to AEMO

Consultation Paper: Fee Structure – Gas Pipeline Capacity Trading & Auction 2019

TGP Submission to the AEMO Gas Pipeline Capacity Trading and Day Ahead Auction 2019 Fee Structure – consultation paper

Introduction

Tasmanian Gas Pipeline (TGP) welcomes the opportunity to respond to the Australian Market Operator's (AEMO) Consultation Paper on the Fee Structure for the Gas Pipeline Capacity Platform (CTP) and Day Ahead Auction (DAA) 2019.

Key issues

Question 3: *AEMO welcomes submission on the possible implementation of a registration fee related to the new markets.*

TGP is concerned that facility operators will be charged a registration fee to register in the Gas Supply Hub(GSH) or the Gas Bulletin Board (GBB). It is our view that facility operators are already incurring significant cost and business disruption as a result of the introduction of the CTP and DAA including preparation of new contracts and changing operating systems and processes. Consequently, facility operators should not be required to pay a fee to register in the GSH or Gas Bulletin Board.

The GSH and GBB exist for the benefit of shippers and end users. Any such fee will be a pass-through cost and ultimately be borne by the market participant. TGP suggests that levying the cost on facility operators will only increase administrative costs to be passed through and so it would be more efficient to levy the fee directly on market participants.

Question 5: *AEMO welcomes submissions on the fee structure to recover AEMO's costs associated with the OTS Code Panel.*

TGP considers that the fee structure surrounding the CTP and DAA should be as simple as possible and fee structures should allocate costs efficiently. The amount of work required to run the OTS Code Panel is dependent on the uptake of the CTP and DAA by market participants. Hence, cost will go up, as market participation increases and vice versa. For this reason, TGP proposes to recover the OTS Code Panel cost as part of AEMO's variable fees ($/GJ).