



**NRG Flinders Operating Services Pty Ltd**

**Adelaide Office**  
168 Greenhill Road  
Parkside SA 5063

GPO Box 2535  
Adelaide SA 5001  
Australia

Telephone (+61) 8 8372 8600  
Facsimile (+61) 8 8372 8610

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Manager – Energy Market Reform Team  
National Energy Market Branch  
Department of Industry, Tourism and Resources  
GPO Box 9839  
Canberra ACT 2601

Email: [MCETMarketReform@industry.gov.au](mailto:MCETMarketReform@industry.gov.au)

Dear Sir/Madam

### **Development of a National Gas Emergency Response Protocol**

NRG Flinders appreciates the opportunity to offer the following brief comments on the Issues Paper released by Standing Committee of Officials into the development national gas emergency protocol.

As an overarching principle, NRG Flinders believes that primacy should be given to market allocation and rationing mechanisms in the event of gas supply disruption events.

Interference in market processes can introduce distortions to price signals, participant behaviour and commercial incentives, and can have unintended and undesired consequences as a result. This can weaken incentives to operate and invest in a manner that efficiently manages the impact of such events, and at worst actually worsen the consequences and impacts of gas supply shortfall events. From a commercial perspective, intervention can also create winners and losers, and increase overall risk for participants.

Whilst Governments may wish to monitor unfolding emergency situations, for these reasons ministerial and jurisdictional intervention should occur only as a last resort. NRG Flinders would, however, support and encourage moves to clarify the basis on which such intervention would occur, should it become necessary. This would provide vital transparency and certainty to market participants and avoid imposing unnecessary regulatory and sovereign risks.

In considering such a protocol, NRG Flinders would highlight the need for greater sharing and publication of information to bring much needed transparency to the gas sector, noting that important market and system information on pricing, quantities, system demands, delivery, and available capacity and so on is not widely available, as in the electricity market.



NRG Flinders would also support greater harmonisation of jurisdictional arrangements for managing intra-regional gas supply emergencies, recognising the emergence of an increasingly national gas market.

NRG Flinders looks forward to further consultation opportunities as the protocol develops.

Yours sincerely

Reza Evans  
Manager  
Regulation and Market Development

*Email: [evans.reza@nrgflinders.com.au](mailto:evans.reza@nrgflinders.com.au)*

*Telephone: 8372 8726*

*Facsimile: 8372 8799*