

Esso Australia Resources Pty Ltd

ABN 62 091 829 819
Level 9, 664 Collins St
Docklands, Victoria 3008
GPO Box 400C
Melbourne, Victoria 3001
613 9261 0000 Telephone
613 9261 0072 Facsimile



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Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

By email: ContractMarketMonitorng@aer.gov.au

Consultation Response: Enhanced Wholesale Market Monitoring and Reporting Guideline – stakeholder feedback to issues paper

Esso Australia Resources Pty Ltd (**Esso**) welcomes the opportunity to respond to the Australian Energy Regulator's (**AER**) 'Enhanced Wholesale Market Monitoring and Reporting Guideline' (**Reporting Guideline**) issues paper for stakeholder feedback (**Consultation Paper**).

Esso has an operating-participation interest in two joint ventures that produce oil and gas from Commonwealth waters offshore from Victoria. Gas processed at the Esso-operated Longford Gas Plants accounts for more than 40% of east coast Australia's domestically-consumed gas. Since gas production at Longford began in 1969, Esso has sold all of its equity gas to domestic customers in Victoria, New South Wales and Tasmania. As such, Esso's feedback is provided primarily in its capacity as a producer and wholesale seller of gas.

Esso supports the Consultation Paper response provided to the AER by Australian Energy Producers and makes the following additional comments.

Based on the AER's summary of bilateral trading agreement information it intends to procure from gas producers, Esso has not identified any document or type of information that has not already been submitted to government or other government agencies. For example, every wholesale gas contract Esso has executed since the commencement of the Australia Competition and Consumer Commission's (**ACCC**) 2017-2030 Gas Inquiry – including every amendment to a gas contract, regardless of contract duration or value – has already been provided to the ACCC in response to *Competition and Consumer Act 2010* section 95ZK notices. This includes contracts with a duration of less than one year that the AER is now responsible for monitoring.


Accordingly, rather than add further to the recently increased reporting requirements from a range of Federal and State departments and agencies, including the ACCC, the Australian Energy Market Operator, the AER, the Australian Securities and Investment Commission, the Department of Climate Change, Energy, the Environment, and Water, and the Department of Science, Industry, and Resources, the AER must develop and implement processes that allow sharing of information between agencies, particularly between the ACCC and the AER. Esso acknowledges the AER is exploring this option and recommends further development and implementation of the Reporting Guideline is paused until this important option has been completely assessed and either adopted or completely ruled-out through further consultation with industry.

Finally, given the scope of the Reporting Guideline includes assessing effective competition and the efficient functioning of markets, Esso recommends the AER review the following publications which address gas market structure, competition and liquidity:

- The Australian Energy Market Commission's '2020 Biennial Review into Liquidity in Wholesale and Gas Pipeline Trading Markets'¹; and
- The Productivity Commission's 'Examining barriers to more efficient gas markets'²

Should you have any questions about Esso's response, please contact Stephen Del Monaco on 0457 504 536 or stephen.j.delmonaco@exxonmobil.com.

Yours faithfully,

DocuSigned by:

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David Berman
Commercial Director
Esso Australia Pty Ltd
For and on behalf of Esso Australia Resources Pty Ltd

¹ [2020 Biennial review into liquidity in wholesale and gas pipeline trading markets | AEMC](#)

² [Examining Barriers to More Efficient Gas Markets - Research paper \(pc.gov.au\)](#)