

# Gas Distribution Code of Practice Review

Prepared for Bass Coast Climate Action Network (BCCAN)

by John Godfrey, M.Org Sys, B.Chem.Eng

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## Introduction

Thank you for the opportunity to contribute to the review of the draft decision Gas Distribution System Code made Nov 2023.

We acknowledge that this draft has addressed points we raised in our February submission.

## Background

Bass Coast Climate Action Network (BCCAN) is a local not-for-profit organisation of Bass Coast residents of diverse ages and backgrounds who are concerned about the climate emergency. We work to educate ourselves and members of our local community about its causes and the required responses, and actively encourage all three levels of government to adopt the policy changes that are now urgently needed to ensure a safe climate future.

BCCAN successfully lobbied via a petition of 1,100 signatures for the Bass Coast Shire Council to declare a Climate Emergency. This led to the Bass Coast Shire developing and formally adopting a Bass Coast Climate Action Plan.

## List of Questions with Comments

### Answers to Questions

1. Do you agree with the proposed introduction of upfront charges for new gas connections? Are there any implementation costs, advantages or disadvantages to the options considered that we should take into account? Please discuss.

Yes. As proposed, option 2 is preferred.

Perhaps there should be a minimum connection charge requirement (say \$500) to avoid Distributors wishing to incentivise connections to lock in future profits.

2. Should the proposed code be more specific about how distributors calculate the costs of a new connection, as an upfront charge to customers? If so, how?

The intent seems clear enough. Distributors may seek more clarity as to specifics. As above, a minimum connection charge may be appropriate in the context of Victoria's net zero strategy.

3. Do you agree with the proposed implementation of new connection charges to begin from 1 January 2025? Please discuss.

Climate change is urgent, and it is important to send the signals to change behaviour quickly. Perhaps it may be clearer to state that new connections after 1 July 2024 will pay upfront under the new scheme, but that the initial charge will be just the statutory minimum charge until Distributors have had enough time to consult / inform stakeholders. That puts the incentive on the Distributors to move to a full upfront charge model ASAP.

4. Do you agree with the proposed definitions and processes for disconnection and abolishment? Please discuss.

Distinguishing between temporary disconnections and permanent abolishment of connections is useful.

The proposed framing of three scenarios for abolishing connections makes sense.

There is one scenario not explicitly covered. If a tenant wishes to stop using gas and asks for its disconnection - then two questions arise:

- a. Is a tenant entitled to ask for a gas disconnection without involving the landlord? Are daily network charges still applicable while a disconnection is in place?
- b. How long after a tenant stops using reticulated gas does that become a 'de facto' abolishment? The landlord / owner may not wish to abolish the connection. In such a scenario should the fixed network charges be passed to the landlord?

This seems to be one of the issues covered by "These issues cannot be resolved solely through our code and would likely require collaboration between government, industry, regulators and consumers." The proposal to further consult with stakeholders about how to move forward in this space is welcome.

5. Do you agree with the proposed new provision of information obligations for gas distributors? Please discuss.

Yes. Thank you for including the UAFG in these obligations.

6. Do you agree with our proposed amendments to remove duplication with other regulatory instruments and to streamline the code? Please discuss.

Yes. Agree in general. Requiring Distributors to publish UAFG figures will help address concerns about lack of transparency regarding the minimisation of fugitive methane emissions.

Lowering fugitive methane emissions is an important climate mitigation measure. The Safeguard Mechanism will provide one way of monitoring this. Unfortunately NGRS reporting systems (on which the Safeguard Mechanism relies for data) are not as detailed as the UAFG system. However, focussing on demand reduction and then retiring the network will have a bigger impact on reducing emissions than spending time on finessing fugitive emissions from the reticulated system.

7. Do you agree with the removal of the overlap of metering requirements between our code and the National Gas Rules? Should we retain the requirements in clause 7 on meter accreditation, certification and testing? Please discuss.

Yes. While blending hydrogen into the reticulated fossil gas system is highly undesirable for economic and environmental reasons, the metering code should be nationally consistent.

8. Do you have any feedback on our proposed compliance and performance reporting requirements? Please discuss.

Agree that it makes sense to align these requirements with the Electricity Distribution Code of Practice and the Energy Retail Code of Practice.

9. Do you have any feedback on our proposed variations to gas distribution licences? Please discuss.

No comment on this point.

10. Can you identify any other changes to codes of practice, guidelines, licences or other instruments we may need to make as a consequence of the proposed Gas Distribution Code of Practice?

Not at this time.

11. Are there any issues with implementing the proposed Gas Distribution Code of Practice that we should consider?

No comment at this time

12. Do you have other comments, feedback or suggestions about our draft decision or the proposed new code?

Thank you for clearly actively engaging with the earlier responses.