



NEW SOUTH WALES GOVERNMENT

Gas Supply Act 1996 (NSW)

Distributor's licence

Jemena Gas Networks (NSW) Limited

(ACN 003 004 322)



I, the Hon. Matthew Kean, MP, Minister for Energy and Environment, grant this licence under section 38(1) of the *Gas Supply Act 1996* (NSW) to Jemena Gas Networks (NSW) Limited.

Signed on this 8th day of June 2021

The Hon Matthew Kean MP
Minister for Energy and Environment

SCHEDULE OF MINISTERIALLY-IMPOSED LICENCE CONDITIONS

This schedule sets out conditions which the *Minister* has determined to impose pursuant to section 40(1)(b) of the *Act*. In addition to these Ministerially-imposed conditions, the *Licensee* is subject to obligations imposed by the *Act*, *Regulation* and associated regulatory instruments.

1. Operate within distribution district

At all times this *Licence* is in force, the *Licensee* must ensure that it only operates a distribution system:

- a) for the purposes of conveying the gas listed in Table 1.1.
- b) within its distribution district as set out in Table 1.2.

Table 1.1 Authorised gas

Compliant Hydrogen Blend.

Table 1.2 Distribution district

Local Government Areas of Camden, Canterbury-Bankstown, Fairfield, Liverpool, and Penrith.

2. Compliance with standards and safety requirements

- 2.1. At all times this *Licence* is in force, the *Licensee* must comply with the standards and safety requirements specified in Schedule 2.

3. Permanent reduction or cessation of operations

- 3.1. If the *Licensee* intends to permanently reduce or cease activities in its distribution district, the *Licensee* must provide written notice, at least 3 months in advance, to *IPART* and the *Safety and Technical Regulator*.
- 3.2. *IPART* may reduce the notice period specified in condition 3.1 if:
 - a) the *Licensee* makes an application in writing which specifies an alternative notice period and the reasons why it seeks to permanently reduce or cease activities in its distribution district on less than 3 months' notice; and

b) *IPART* is satisfied that the notice period should be reduced.

3.3. The *Licensee* must follow any directions, provided in writing, from the *Safety and Technical Regulator* in relation to safety on the permanent reduction or cessation of activities in its distribution district.

4. **Insurances and indemnity**

4.1. The *Licensee* must maintain with a reputable insurance company:

- a) workers compensation insurance,
- b) public liability insurance, and
- c) other third party liability insurances for the purpose of covering liability for it, its employees and agents for any loss or damage to property or for death or personal injury to any person,

for an amount which in all the circumstances is reasonable or for an amount which the *Minister* may from time to time specify.

4.2. The *Licensee* must produce to the *Minister* and *IPART* on request satisfactory evidence that the insurance specified in condition 4.1 is in force.

4.3. The *Licensee* must not do or fail to do anything that would cause any policy of insurance to be void.

4.4. The *Licensee* must indemnify the *Minister* and *IPART* and shall keep them indemnified against loss or damage, (including legal costs on an indemnity basis and the cost of rectifying any breach by the *Licensee* of the *Act* or its *Licence*) which they may jointly or severally sustain arising from any of the following:

- a) the *Licensee's* failure to comply with the *Licence*;
- b) any negligent act or omission of the *Licensee*, its employees or agents.

5. **Reporting in accordance with the Reporting Manual**

The *Licensee* must prepare and submit reports in accordance with any *Reporting Manual* issued by *IPART*.

SCHEDULE 1 – INTERPRETATION AND DEFINITIONS

1. Interpretation

1.1. In this *Licence*, unless the context requires otherwise:

- a) the singular includes the plural and vice versa;
- b) headings are used for convenience only and do not affect the interpretation of this *Licence*;
- c) a reference to a document includes the document as modified from time to time and any document replacing it;
- d) a reference to a person includes a natural person and any body or entity whether incorporated or not;
- e) a reference to a condition is to a condition in this *Licence*;
- f) a reference to a clause is to a clause in this *Licence*;
- g) a reference to a schedule is to a schedule to this *Licence*;
- h) a reference to a law or statute includes regulations, rules, codes and other instruments under it, and consolidations, amendments, re-enactments or replacements of them; and
- i) explanatory notes do not form part of this *Licence*, but in the case of uncertainty may be relied on for interpretation purposes.

1.2. If the boundary of a *Local Government Area* within the distribution district is altered while this *Licence* is in force (including by an amalgamation under Division 2A of Part 1 of Chapter 9 of the *Local Government Act 1993* (NSW)), that alteration has no effect on the distribution district specified in this *Licence*.

[**For example:** if the whole or part of the *Local Government Area* of Camden is amalgamated with another *Local Government Area*, or part of another *Local Government Area*, while this *Licence* is in force, that part of the amalgamated *Local Government Area* that was known as Camden on the date of this *Licence* will remain part of the distribution district.]

1.3. For the purpose of the definition of *Compliant Hydrogen Blend*, all references to natural gas in the standards specified in the definition of compliant natural gas in clause 22 of the *Regulation*, being AS 4564-2011 (Specification for general purpose natural gas) or any other standards specified in the *Regulation* from time to time, are to be read as references to *Hydrogen Blend*.

2. Definitions

2.1. Expressions used in this *Licence* that are defined in the *Act* or the *Regulation* have the meanings set out in the *Act* or the *Regulation*.

2.2. In this *Licence*:

Act	means the <i>Gas Supply Act 1996</i> (NSW).
Compliant Hydrogen Blend	means <i>Hydrogen Blend</i> which complies with the standards specified in the definition of 'compliant natural gas' in clause 22 of the <i>Regulation</i> , being AS 4564-2011 (Specification for general purpose natural gas) or any other standards specified in clause 22 of the <i>Regulation</i> from time to time.
Hydrogen Blend	means a mixture of hydrogen gas and another gas to which the <i>Act</i> applies.
IPART	means the Independent Pricing and Regulatory Tribunal of New South Wales established under the <i>Independent Pricing and Regulatory Tribunal Act 1992</i> (NSW).
Licence	means this licence granted under section 38 of the <i>Act</i> .
Licensee	means Jemena Gas Networks (NSW) Limited (ACN 003 004 322).
Local Government Area	means an area as constituted under section 204 of the <i>Local Government Act 1993</i> (NSW) as at the date of this <i>Licence</i> .
Minister	means the Minister responsible for administering the <i>Act</i> .
Non-Compliant Hydrogen Blend	means <i>Hydrogen Blend</i> that that is not <i>Compliant Hydrogen Blend</i> .
Reporting Manual	means any document setting out reporting requirements for the relevant <i>Licensee</i> which is prepared by IPART and is available on its website at www.ipart.nsw.gov.au as amended from time to time.
Regulation	means the <i>Gas Supply (Safety and Network Management) Regulation 2013</i> (NSW).

Safety and Operating
Plan

means the *Licensee's* safety and operating plan lodged in accordance with clause 11 of the *Regulation*.

Safety and Technical
Regulator

means the Department of Planning, Industry and Environment.

Secretary

means the Secretary of the Department of Planning, Industry and Environment.

SCHEDULE 2 – STANDARDS AND SAFETY REQUIREMENTS

1. **Hydrogen Blend in Licensee's distribution system to comply with standards**
 - 1.1. At all times this Licence is in force, the Licensee must not convey *Non-Compliant Hydrogen Blend* through its distribution system.
2. **Exception from standards in special cases**
 - 2.1. The Licensee does not breach clause 1 in this Schedule 2 if:
 - a) the Licensee reasonably believes that the conveyance of *Non-Compliant Hydrogen Blend* is necessary to ensure the safety of the public or the security of its distribution system; or
 - b) the Licensee reasonably believes that the *Non-Compliant Hydrogen Blend* is, or is to be, delivered to the end user customer is *Compliant Hydrogen Blend*.
 - 2.2. If the Licensee conveys *Non-Compliant Hydrogen Blend* in accordance with clause 2.1 in this Schedule 2, it must notify the *Safety and Technical Regulator* of the point of injection of the *Non-Compliant Hydrogen Blend*:
 - a) by telephone or email as soon as practicable after the time when the *Non-Compliant Hydrogen Blend* began to be conveyed in the Licensee's distribution system; and
 - b) if notified by telephone, in writing within 14 days after that time.
 - 2.3. The Licensee must comply with any directions, or requests for information, issued by the *Safety and Technical Regulator* following a notification in accordance with clause 2.2 of this Schedule 2.
3. **Testing of Hydrogen Blend**
 - 3.1. The Licensee must not convey *Hydrogen Blend* through its distribution system unless the Licensee has tested the gas, or caused the gas to be tested, in accordance with the Licensee's *Safety and Operating Plan*, to ascertain whether the gas is *Compliant Hydrogen Blend*.
 - 3.2. The Licensee must keep a register containing copies of all test results.
 - 3.3. If a test has been performed to determine a derived value (such as a Wobbe Index value), the test results required to be kept in the register include the raw measurements used to determine that derived value.

- 3.4. The *Licensee* must ensure that copies of or extracts from the register are made available to the *Safety and Technical Regulator* on request and at no cost.
- 3.5. The *Licensee* must notify the *Safety and Technical Regulator* if it becomes aware of any test result that shows that *Hydrogen Blend* in its distribution system is *Non-Compliant Hydrogen Blend*:
- a) by telephone or email as soon as is practicable; and
 - b) if notified by telephone, in writing within 7 days after that time.

4. Written notice or directions about Non-Compliant Hydrogen Blend

- 4.1. If the *Secretary* believes that *Non-Compliant Hydrogen Blend* is being, or is to be, injected into or conveyed through the *Licensee's* distribution system, the *Secretary* may:
- a) issue a written notice to the *Licensee* requiring the *Licensee* to give to the *Secretary* such information regarding the injection or conveyance of the *Non-Compliant Hydrogen Blend* as is specified in the notice; or
 - b) issue written directions to the *Licensee* about the injection or conveyance of *Non-Compliant Hydrogen Blend*.
- 4.2. The *Licensee* must comply with any notice or directions issued by the *Secretary* in accordance with clause 4.1 of this Schedule 2.

5. Hydrogen Blend must have odour

- 5.1. The *Licensee* must ensure that *Hydrogen Blend* being conveyed, or to be conveyed, through its distribution system has a distinctive and unpleasant odour that is discernible at a level specified in the *Safety and Operating Plan*.