

Queensland

Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023

Contents

		Pé	age	
Part 1	Prelimin	ary	Ū	
1	Short title	e	4	
2	Commer	ncement	4	
Part 2	Amenda	Amendment of Gas Supply Act 2003		
3	Act ame	nded	4	
4	Amendm	Amendment of long title		
5	Amendm	Amendment of s 3 (Main purposes of Act)		
6	Amendm	nent of s 4 (Gas-related matters to which Act does not apply)	5	
7	Replace	ment of ch 1, pt 3, div 2, sdiv 2 (Processed natural gas)	5	
	Subdivis	ion 2 Covered gases		
	9	What is a covered gas	5	
8	Amendm	nent of s 28 (Requirements for application)	6	
9	Amendm	Amendment of s 29 (Public notice by regulator and submissions)		
10	Insertion of new ch 7, pt 4		7	
	Part 4	Transitional provision for Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Act 2023		
	342	Existing distribution authorities	7	
Part 3	Amendr 2004	Amendment of Petroleum and Gas (Production and Safety) Act 2004		
11	Act ame	nded	8	
12		Amendment of s 3A (Secondary purpose—facilitation of Geothermal Energy Act 2010 and Greenhouse Gas Storage Act 2009)		
13	Amendm	Amendment of s 11 (Meaning of LPG and fuel gas)		
14	Insertion	of new s 11A	9	
	11A	Meaning of regulated hydrogen	10	

Contents				
15	Amendment of s 16 (What is a pipeline)	10		
16	Amendment of s 16A (What is a distribution pipeline)	10		
17	Amendment of s 399 (What is pipeline land for a pipeline licence)	11		
18	Amendment of s 409 (Requirements for making application)	11		
19	Amendment of s 411 (Public notice requirement)	11		
20	Amendment of s 412 (Provisions of licence)	12		
21	Amendment of s 415 (Criteria for decisions)	12		
22	Amendment of s 422 (Obligations in operating pipeline)	12		
23	Omission of s 422A (Obligation to hold relevant environmental authority and water licence)			
24	Amendment of s 437 (Limitation of pipeline licence holder's liability)	13		
25	Amendment of s 577 (Notice of application required for particular pipeline licences)			
26	Amendment of s 670 (What is an operating plant)	14		
27	Amendment of s 809 (Unlawful taking of petroleum or fuel gas prohibited)			
		14		
28	Replacement of s 815 (Fuel gas suppliers must not use other supplier's containers)			
	815 Supply of fuel gas in containers	15		
29	Insertion of new ch 15, pt 30	15		
	Part 30 Transitional provisions for Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Act 2023			
Part 4	Other amendments			
30	Legislation amended			
Schedule 1	Other amendments			
	Gas Supply Act 2003			
	Petroleum and Gas (Production and Safety) Act 2004 2			
	Petroleum and Gas (General Provisions) Regulation 2017 28			

2023

A Bill

for

An Act to amend the *Gas Supply Act 2003* and the *Petroleum and Gas (Production and Safety) Act 2004* for particular purposes

Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023 Part 1 Preliminary

[s 1]

The Parliament of Queensland enacts—

Part 1 Preliminary

1 Short title

This Act may be cited as the Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Act 2023.

2 Commencement

This Act commences on a day to be fixed by proclamation.

Part 2 Amendment of Gas Supply Act 2003

3 Act amended

This part amends the Gas Supply Act 2003.

Note-

See also the amendments in schedule 1.

4 Amendment of long title

Long title, 'processed natural gas'—

omit, insert—

covered gases

5 Amendment of s 3 (Main purposes of Act)

(1) Section 3(a), from 'processed'—

March 2023

Consultation Draft

omit, insert-

supply of covered gases; and

(2) Section 3(b)(i), 'processed natural gas' omit, insert—

covered gases

6 Amendment of s 4 (Gas-related matters to which Act does not apply)

Section 4(1)(a), (b) and (c)(i), 'processed natural gas' omit, insert—

covered gases

7 Replacement of ch 1, pt 3, div 2, sdiv 2 (Processed natural gas)

Chapter 1, part 3, division 2, subdivision 2 omit, insert—

Subdivision 2 Covered gases

9 What is a covered gas

- (1) A covered gas is—
 - (a) processed natural gas; or
 - (b) hydrogen; or
 - (c) biomethane; or
 - (d) synthetic methane; or
 - (e) another substance that is a gas prescribed by regulation; or
 - a gas blend.
- (2) In this section—

biogas means a gas derived or recovered from

organic matter other than fossilised organic matter.

biomethane means a substance—

- (a) that is in a gaseous state at standard temperature and pressure; and
- (b) the principal constituent of which is methane; and
- (c) that is produced by refining biogas; and
- (d) that is suitable for consumption.

gas blend means a substance consisting of 2 or more gases mentioned in subsection (1)(a) to (e) that have been blended together.

processed natural gas means a substance that—

- (a) is in a gaseous state at standard temperature and pressure; and
- (b) consists of naturally occurring hydrocarbons and other substances; and
- (c) is more than half, by volume, methane; and
- (d) has been processed to be suitable for consumption.

synthetic methane means a substance—

- (a) that is in a gaseous state at standard temperature and pressure; and
- (b) the principal constituent of which is methane; and
- (c) that is produced by the methanation of carbon dioxide; and
- (d) that is suitable for consumption.

8 Amendment of s 28 (Requirements for application)

(1) Section 28—

March 2023

Consultation Draft

[s 9]

insert—

- (aa) state the type of covered gas for the distribution authority; and
- Section 28(aa) and (b) renumber as section 28(b) and (c).

9 Amendment of s 29 (Public notice by regulator and submissions)

Section 29(2)(a)—

insert-

(v) the type of covered gas for the distribution authority; and

10 Insertion of new ch 7, pt 4

Chapter 7—

insert-

Part 4

Transitional provision for Gas Supply and Other Legislation (Hydrogen Industry **Development) Amendment Act 2023**

342 Existing distribution authorities

- This section applies to a distribution authority that effect was in immediately before commencement.
- Despite new section 21, the distribution authority does not authorise its holder to transport, or provide customer connection services relating to, a covered gas other than processed natural gas.

Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023 Part 3 Amendment of Petroleum and Gas (Production and Safety) Act 2004

[s 11]

- (3) However, subsection (2) does not apply to the extent the distribution authority is amended under chapter 2, part 1, division 2 so it applies in relation to the covered gas.
- (4) In this section—

new section 21 means section 21 as amended by the Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Act 2023.

Part 3 Amendment of Petroleum and Gas (Production and Safety) Act 2004

11 Act amended

This part amends the *Petroleum and Gas (Production and Safety) Act 2004*.

Note—

See also the amendments in schedule 1.

12 Amendment of s 3A (Secondary purpose—facilitation of Geothermal Energy Act 2010 and Greenhouse Gas Storage Act 2009)

(1) Section 3A, heading—

omit, insert—

3A Other purposes of Act

(2) Section 3A(1)—

omit, insert—

- (1) Other purposes of this Act are—
 - (a) to facilitate the operation of the *Geothermal Energy Act 2010* (the *Geothermal Act*) and the *Greenhouse Gas Storage Act 2009* (the *GHG storage Act*); and

[s 13]

(b) to facilitate and regulate, as a key authorised activity for pipeline licences, the construction and operation of pipelines for regulated hydrogen in a way that is safe, effective and efficient.

13 Amendment of s 11 (Meaning of *LPG* and *fuel gas*)

(1) Section 11, heading—

omit, insert—

11 Meaning of *LPG*, fuel gas and hydrogen gas blend

(2) Section 11(2)—

insert—

- (ba) hydrogen, or a hydrogen gas blend, used or intended to be used as a fuel to produce heat, light or power; or
- (3) Section 11(2)(c), 'under a'—

omit, insert—

by

- (4) Section 11(2)(ba) and (c)—
 renumber as section 11(2)(c) and (d).
- (5) Section 11—

insert—

- (2A) A *hydrogen gas blend* is a substance that consists of processed natural gas blended with hydrogen.
- (6) Section 11(2A) and (3)—

renumber as section 11(3) and (4).

14 Insertion of new s 11A

After section 11—

Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023 Part 3 Amendment of Petroleum and Gas (Production and Safety) Act 2004

[s 15]

insert-

11A Meaning of regulated hydrogen

Regulated hydrogen is—

- (a) hydrogen; or
- (b) a hydrogen gas blend; or
- (c) another substance prescribed by regulation that is involved in, or produced for, a process related to the storage or transport of hydrogen.

15 Amendment of s 16 (What is a *pipeline*)

Section 16(1)(a), 'or prescribed storage gases'— *omit, insert*—

, prescribed storage gases or regulated hydrogen

16 Amendment of s 16A (What is a distribution pipeline)

- (1) Section 16A(1)(a) and (b)
 - omit, insert—
 - (a) a pipeline that transports fuel gas as part of a reticulation system within a gas market; or
 - (b) a single point-to-point pipeline that transports fuel gas to—
 - (i) a place other than a major user facility; or
 - (ii) another single point-to-point pipeline that transports fuel gas to a place other than a major user facility.
- (2) Section 16A(3), definition *major user facility*, after paragraph (a)—

 insert—

- (aa) a facility operated as a place of export for fuel gas, including, for example, a port; or
- (ab) a facility operated for the liquefaction of fuel gas before it is transported to a facility mentioned in paragraph (b); or
- (3) Section 16A(3), definition *major user facility*, paragraphs (aa) to (e)—

renumber as paragraphs (b) to (g).

17 Amendment of s 399 (What is *pipeline land* for a pipeline licence)

Section 399(3), 'to transport petroleum'— *omit*.

18 Amendment of s 409 (Requirements for making application)

(1) Section 409—

insert—

- (ea) be accompanied by information, prescribed by regulation, that is relevant to the matters mentioned in section 415(1)(a)(ii); and
- (2) Section 409(ea) and (f)—
 renumber as section 409(f) and (g).

19 Amendment of s 411 (Public notice requirement)

(1) Section 411(2)(a)—

insert-

(iiia)each substance proposed to be transported through the pipeline;

(2) Section 411(2)(a)(iiia) to (vi)—
renumber as section 411(2)(a)(iv) to (vii).

Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023 Part 3 Amendment of Petroleum and Gas (Production and Safety) Act 2004

[s 20]

20 Amendment of s 412 (Provisions of licence)

Section 412(1)—

insert-

(e) each substance that is to be transported through the pipeline.

21 Amendment of s 415 (Criteria for decisions)

Section 415(1)(a)(ii)—

omit, insert—

(ii) ability to competently and safely manage, for each pipeline the subject of the licence, matters related to the location, design, construction and operation of the pipeline;

22 Amendment of s 422 (Obligations in operating pipeline)

(1) Section 422(1)(a), 'or produced water'—

omit, insert—

, produced water, prescribed storage gas or regulated hydrogen

(2) Section 422—

insert—

- (1A) The pipeline licence holder must not use the pipeline to transport a substance unless the substance is stated in the licence.
- (3) Section 422(1A) and (2)—

 renumber as section 422(2) and (3).

Omission of s 422A (Obligation to hold relevant environmental authority and water licence)

Section 422A—

omit.

insert—

24 Amendment of s 437 (Limitation of pipeline licence holder's liability)

(1) Section 437(1)(a), 'or fuel gas' omit, insert—

, fuel gas or regulated hydrogen

(2) Section 437(1)(b), after 'quality'—

being

Amendment of s 577 (Notice of application required for 25 particular pipeline licences)

(1) Section 577, heading omit, insert—

577 Notice to surrender a pipeline licence

- (2) Section 577(1) and (2)
 - omit, insert—
 - A surrender application can not be made for a petroleum authority that is a pipeline licence unless the holder has, at least 3 months before the application is lodged, lodged a notice to surrender the licence.
- (3) Section 577(3) and (4), 'application notice' omit, insert—

notice to surrender

(4) Section 577(5), penalty, '(5)' omit, insert—

(4)

Section 577(3) to (5)— (5)

Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023 Part 3 Amendment of Petroleum and Gas (Production and Safety) Act 2004

[s 26]

renumber as section 577(2) to (4).

26 Amendment of s 670 (What is an *operating plant*)

(1) Section 670(2)(d), after 'only'—

insert—

an excluded compound or

(2) Section 670(6)(a)—

omit, insert—

- (a) all of the authorised activities for a petroleum authority other than authorised activities related to the operation of a pipeline used only to transport an excluded compound; or
- (aa) all of the authorised activities for a geothermal tenure or GHG authority; or
- (3) Section 670(6)(aa) and (b) renumber as section 670(6)(b) and (c).
- (4) Section 670(7), 'and (b)'—
 omit, insert—

, (b) and (c)

(5) Section 670(10)—

insert-

excluded compound means a substance that is—

- (a) prescribed under section 11A(c); and
- (b) for this section, declared by regulation to be an excluded compound.

27 Amendment of s 809 (Unlawful taking of petroleum or fuel gas prohibited)

(1) Section 809, heading, 'or fuel gas'—

[s 28]

omit, insert—

, fuel gas and other substances

(2) Section 809(1), 'or produced water'—

omit, insert—

, produced water or regulated hydrogen

28 Replacement of s 815 (Fuel gas suppliers must not use other supplier's containers)

Section 815—

omit, insert—

815 Supply of fuel gas in containers

- (1) This section applies to a container that—
 - (a) has a water capacity of more than 25kg; and
 - (b) is owned or provided by a product supplier for a fuel gas delivery network.
- (2) A person must not supply fuel gas to or in the container without the product supplier's permission to use the container.

Maximum penalty—100 penalty units.

29 Insertion of new ch 15, pt 30

Chapter 15—

insert—

Part 30

Transitional provisions for Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Act 2023 Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023 Part 4 Other amendments

[s 30]

Part 4 Other amendments

30 Legislation amended

Schedule 1 amends the legislation it mentions.

Schedule 1 Other amendments

section 30

Gas Supply Act 2003

1 Particular references to processed natural gas—

In the following table, each provision mentioned in column 1 is amended by omitting the words 'processed natural gas' and inserting the words mentioned in column 2—

Column 1	Column 2	
section 12	a covered gas	
section 13(a)(i)	covered gas	
section 15, heading	covered gas	
section 16(3)(b), first mention	a covered gas	
section 16(3)(b)(i)	the covered gas	
section 19(1)(b)	the covered gas	
section 19(2)	a covered gas	
section 21(a)	a covered gas	
section 42(2) and (3)	covered gases	
section 109(1)(a)(iii)	a covered gas	
section 109A(2)(a)	a covered gas	
section 131A	covered gas	
section 133(d)	a covered gas	
section 140(1)	a covered gas	

Schedule 1

Column 1	Column 2
section 213(1)(b), (2) and (4)	a covered gas
section 222(1)	a covered gas
section 222(2)(a)	the covered gas
section 223(1)(b)	the covered gas
section 228(1)(a), (b) and (c), examples	a covered gas
section 231(a)	a covered gas
section 236(d)(ii)	a covered gas
section 236(f) and (g)	covered gases
section 237(1)	a covered gas
section 237(4)	covered gas
section 244	a covered gas
section 245(1), first mention	a covered gas
section 247(3)	a covered gas
section 247(4)(a) and (5), definition required notice, paragraph (d)	the covered gas
section 254(1)	a covered gas
section 254(5), examples	the covered gas
section 256(1)(a)	the covered gas stated in the direction
section 256(1)(b) and (c), (2) and (3)	covered gas
section 257(b)	the covered gas
section 270A(1)	covered gas
section 270K(1)(a)	covered gas
section 286(2), first mention	a covered gas

Column 1	Column 2
section 286(2)(c)	covered gas
section 289, heading	covered gas
section 289(1)	a covered gas
section 295	covered gas
chapter 6, part 3, division 2, heading	covered gases
section 298, first mention	a covered gas
section 298(a)	the covered gas
section 301(1)	a covered gas
section 301(2)(a)	covered gas
section 316(1)(a)	a covered gas
section 321B(2)	covered gas
schedule 2, definition meter	a covered gas
schedule 2, definition reticulated	a covered gas

2 Section 13(a), 'transports processed natural gas'—

omit, insert—

transports a covered gas

3 Section 14(1), from 'supply of processed'—

omit, insert—

supply of a covered gas to more than 1 customer within a covered gas market.

4 Section 15, 'Processed natural gas'—

omit, insert—

A covered gas

```
5 Section 16(1), 'reticulated processed natural gas'—
```

omit, insert—

a reticulated covered gas

6 Section 16(2), 'a processed natural gas installation'—

omit, insert—

an installation for a covered gas

7 Section 16(3)(a), 'gas'—

omit, insert—

covered gas

8 Section 19(1)(a)(i), 'system—'—

omit, insert—

system for a covered gas—

9 Section 19(1)(a)(ii), from 'system', first mention to 'gas'—

omit, insert—

system for a covered gas—opening a physical connection to the pipeline or system to allow reticulated covered gas

10 Section 21(b), after 'services'—

insert—

for the covered gas

11 Section 22(1)(b) and (c), after 'services'—

insert—

for a covered gas

12 Chapter 2, heading—

omit, insert—

Chapter 2 Distribution of covered gases

13 Section 27(2), from 'relating' to 'gas', second mention—

omit, insert—

for a covered gas to be transported through a pipeline if the retailer sells the covered gas

14 Section 32(2)(a), after 'services'—

insert-

for the covered gas stated in the application

15 Section 41, from 'processed', first mention to 'gas', second mention—

omit, insert—

a covered gas transported through a pipeline if the distributor provides customer connection services for the covered gas

16 Section 48(1), 'processed natural'—

omit.

17 Section 103(1), after 'services'—

insert—

for a covered gas

18 Section 104A, 'services applied'—

omit, insert—

services for the covered gas applied

19 Sections 105(1)(b), 106(1) and 108(1), after 'services'—

insert—

for the covered gas

20 Section 108(3)(c), after 'transportation of'—

insert—

the covered

21 Section 109(1)(b)(i)—

omit, insert—

- perform work, or changes to the person's installation for a covered gas, necessary to allow connection of the distributor's meter to measure consumption of the covered gas;
- 22 Chapter 2, part 3, division 3, heading, from 'processed'—

omit, insert—

installations for covered gases

23 Sections 111 and 112(1), 'a processed natural gas installation'—

omit, insert—

an installation for a covered gas

24 Sections 126(1) and 131(3), 'reticulated processed natural gas'—

omit, insert—

a reticulated covered gas

25 Chapter 3, heading—

omit, insert—

Chapter 3 Supply of reticulated covered gases

26 Section 233(1), examples, heading, after 'information'—

insert—

in relation to a direction for prices notification for a covered gas

- 27 Section 233(1), examples, 'processed natural'—

 omit.
- 28 Section 239(3)(a), 'processed natural gas supply'—

omit, insert—

the supply of a covered gas

29 Section 239(3)(b)(i), 'processed natural gas supply'—

omit, insert—

the supply of the covered gas

30 Section 245(1), examples, heading, after 'information'—

insert-

in relation to sufficiency of supply of a covered gas

31 Section 245(1), examples, 'processed natural'—
omit.

32 Section 247, heading, from 'processed'—

omit, insert—

transport or sale of covered gas or customer connection services

33 Section 247(1)—

omit, insert—

(1) The holder of a transmission pipeline licence for a pipeline that transports a covered gas must give the regulator the required notice at least 3 months before stopping, or significantly reducing, the transportation of the covered gas through the pipeline.

Maximum penalty—100 penalty units.

34 Section 251, 'of processed natural gas'—

omit, insert—

of a covered gas

Section 251, examples, item 2, 'sell processed natural gas'—

omit, insert—

sell the covered gas

36 Section 270F(1), from 'processed', first mention—

omit, insert-

covered gas services for the long-term interests of Queensland customers of covered gas about price, quality, safety, reliability and security of supply of the covered gas.

37 Section 289(2), from 'processed', first mention to 'gas', second mention—

omit, insert—

a covered gas or LPG if the person takes the covered gas

38 Section 297—

omit, insert—

297 Evidence of unlawful taking of covered gases or LPG

If—

- (a) on, or in association with, a customer's installation for a covered gas or LPG there exists a way to unlawfully take the covered gas or LPG; and
- (b) the covered gas or LPG is unlawfully taken from the installation:

evidence of the existence of the way is evidence that the customer has unlawfully taken the covered gas or LPG.

39 Section 299—

omit, insert—

299 Ownership of covered gases or LPG for proceeding

- (1) This section applies in a proceeding for an offence against this or another Act in which it is claimed a covered gas or LPG has been unlawfully taken.
- (2) The covered gas or LPG is taken to belong to any person through whose distribution or other pipeline the covered gas or LPG was being transported when it was unlawfully taken.

40 Section 316(1)(b), 'defective reticulated processed natural gas'—

omit, insert—

a defective reticulated covered gas

41 Section 316(3)(b), after 'supply'—

insert—

of the covered gas

42 Schedule 2, definitions corresponding authority, processed natural gas and supply—

omit.

43 Schedule 2—

insert—

corresponding authority, for a distribution authority for a covered gas, means an authority or licence, however called, issued under any of the following that is similar to the distribution authority for the covered gas—

- (a) *Gas Supply Act 1996* (NSW);
- (b) Gas Act 1997 (SA);
- (c) Gas Industry Act 2001 (Vic);
- (d) Gas Act 2000 (Tas);
- (e) Energy Coordination Act 1994 (WA);
- (f) Energy Operators (Powers) Act 1979 (WA);
- (g) Utilities Act 2000 (ACT);
- (h) another law of a State relating to the transport or supply of the covered gas.

covered gas see section 9.

supply, for a covered gas, includes the transportation or sale of the covered gas.

Petroleum and Gas (Production and Safety) Act 2004

- 1 Section 619(1)(a), 'motive'— *omit.*
- 2 Schedule 2—

insert-

hydrogen gas blend see section 11(3). regulated hydrogen see section 11A.

3 Schedule 2, definition *distribution system*, 'fuel gas market'—

omit, insert—
gas market

4 Schedule 2, definition Geothermal Act, '3A(1)'—

omit, insert—
3A(1)(a)

5 Schedule 2, definition GHG storage Act, '3A(1)'—

omit, insert—
3A(1)(a)

6 Schedule 2, definition *operate*, first mention, paragraph 2(a), 'or produced water'—

omit, insert—

, produced water, prescribed storage gases or regulated hydrogen

Petroleum and Gas (General Provisions) Regulation 2017

Drafting note—

The amendments to the *Petroleum and Gas (General Provisions) Regulation 2017* will be omitted from the Bill before introduction and progressed as a separate instrument.

1 Section 6—

omit, insert—

6 Substances that are fuel gas

For the 2004 Act, section 11(2)(d), the following substances are prescribed—

- (a) biogas;
- (b) biomethane;
- (c) synthetic methane;
- (d) a substance that is a mixture of LPG and air, known as 'synthetic natural gas'.

6A Substances that are regulated hydrogen

For the 2004 Act, section 11A(c), the following substances are prescribed—

- (a) methanol;
- (b) methyl-cyclohexane (MCH);
- (c) toluene;
- (d) ammonia;
- (e) dimethyl-ether.

2 Schedule 5, definitions biogas and biomethane—

omit.

3 Schedule 5—

insert—

biogas means a gas derived or recovered from organic matter other than fossilised organic matter.

biomethane means a substance—

- (a) that is in a gaseous state at standard temperature and pressure; and
- (b) the principal constituent of which is methane; and
- (c) that is produced by refining biogas; and
- (d) that is suitable for consumption.

synthetic methane means a substance—

- (a) that is in a gaseous state at standard temperature and pressure; and
- (b) the principal constituent of which is methane; and
- (c) that is produced by the methanation of carbon dioxide; and
- (d) that is suitable for consumption.