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Nomiky Panayiotakis
Senior Adviser
Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

Jemena Limited
ABN 95 052 167 405

Level 16, 567 Collins Street
Melbourne, VIC 3000
PO Box 16182
Melbourne, VIC 3000
T +61 3 9173 7000
F +61 3 9173 7516
www.jemena.com.au

Dear Nomiky

Consultation paper - Notice of closure

Jemena welcomes the opportunity to respond to the Australian Energy Market Commission's consultation paper on the proposed National Gas Amendment (ECGS Notice of closure for gas infrastructure) Rule.

Jemena owns and operates a diverse portfolio of energy assets throughout the northern and east coast Australia. With more than \$12 billion of major gas and electricity infrastructure, we deliver energy to millions of households, institutions, and industries every day. Our assets include the Jemena Gas Network in New South Wales, the Jemena Electricity Network in northwest Melbourne and gas transmission lines such as the Eastern Gas Pipeline, Queensland Gas Pipeline and Northern Gas Pipeline.

As a key gas pipeline service provider in the east coast gas system, we recognise the importance of having a secure, resilient and flexible gas market to support investment decisions and the day-to-day lives of gas users.

We are supportive of this rule change in principle, though we are not convinced that the lack of such advance notice is a material impediment to market participants acting in a timely, informed, and efficient manner to reliability or supply adequacy threats.

To the extent that a market participant has a firm contract in place with an infrastructure facility for the provision of a service, they should have a high degree of confidence that the facility will not close during that period of supply. Additionally, any market participant can use existing information on the Bulletin Board—such as a facility's shipper list or 36 month uncontracted capacity outlook—to understand whether a facility has (or will have) users with contracted capacity. Conversely, it would be reasonably easy to foresee the possibility of closure of an infrastructure facility if it does not have any firm contracts in place. It is important that incentives for efficient contracting of firm services by market participants are preserved, as these are necessary to underwrite investment.

Nevertheless, we consider this rule change is likely to have a relatively low impact and cost to infrastructure facility operators and that integrating this notification requirement into Gas Statement of Opportunities/Victorian Gas Planning Report or Medium Term Capacity Outlook reporting is pragmatic.

However, we emphasise that any notice of closure requirement must still allow infrastructure service providers to make a closure decision where necessary at any point in time, including with less than 36 months' notice. We consider the proposed requirement for disclosures to

be consistent with the Bulletin Board information standard should appropriately provide such flexibility in a situation where a reporting entity discloses a short-dated closure as soon as reasonably practicable after the business decision to close a facility.

Overall, we consider this rule change may provide a modest incremental benefit to the monitoring and management of gas supply and reliability risk.

Jemena would welcome the opportunity to further engage with the AEMC on this proposed rule change. Should you have any questions please do not hesitate to contact James Harding, Gas Markets Regulation Manager, at james.harding@jemena.com.au.

Yours sincerely,



Ana Dijanosic

General Manager Regulation