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Australian Energy Market Commission



Submitted online

PASA rule change request

The Australian Financial Markets Association (AFMA) is responding to AEMC's consultation paper on the East Coast Gas System Projected Assessment of System Adequacy (PASA) rule change submitted by the Energy and Climate Ministerial Council.

AFMA is the leading industry association representing Australia's financial markets - including the capital, credit, derivatives, foreign exchange, and other specialist energy markets, including gas. We have more than 130 members, from Australian and international banks, leading brokers, securities companies, and state government treasury corporations to fund managers, and industry service providers. AFMA also represents a large number of energy firms who are some of the key participants in the east coast gas market.

Key Points

- **AFMA supports the introduction of a gas PASA**
 - **The PASA should be published frequently enough to meet the needs of the market**
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As AFMA expressed in its submission to the Department of Climate Change, Energy, the Environment and Water's earlier consultation on Stage 2 of the Reliability and Supply Adequacy Framework for the east coast gas market,¹ AFMA supports the implementation of a gas Projected Assessment of System Adequacy (PASA) and is broadly supportive of the rule change proposed in this consultation paper. However, we think the AEMC should consider the appropriate frequency for publishing the PASA to meet the markets needs and ensure that appropriate framework is in place for development of AEMO's PASA methodology.

Overarchingly, AFMA believes that the main aspects that could make a Gas PASA useful will depend upon how demand fluctuations will work, which is the most challenging aspect to predict. General gas demands and GPG forecasts are continuously changing, thus, the value and accuracy that can be concluded remains unclear. Nevertheless, the market does see a clear value in participants being able to access, in a consolidated place, levels of supply and pipeline capacities. This would assist in a greater view of the medium term, granted that the data is sufficient. AFMA encourages AEMO to work with industry on its development.

1. Frequency of publication

In the electricity market, both the short and medium term PASAs have become a key piece of information for the financial market, and both are now updated intra-day to accommodate the

¹ [https://www.afma.com.au/policy/submissions/2025/r39-23-gas-supply-adequacy-\(1\).pdf?ext=.pdf](https://www.afma.com.au/policy/submissions/2025/r39-23-gas-supply-adequacy-(1).pdf?ext=.pdf)

needs of the financial market. AFMA sees value in considering a similar intra-day model to ensure the market is regularly updated. We are particularly concerned about the proposal to only update the medium term PASA weekly as this longer-term document is likely to become a key input for the gas financial market. AFMA encourage the AEMC to work with AEMO and the industry to determine an appropriate schedule for updating the PASAs.

1. PASA methodology

While AFMA makes no specific comment or recommendation as to the most appropriate PASA methodology to employ, AFMA asks that AEMO publish its PASA methodology for industry view. It's important for industry to understand how AEMO will forecast gas shortfalls whilst participating in the market. It is AFMA's view that sight of the PASA methodology is the most appropriate avenue to understand AEMO's rationale.

AFMA is unclear whether the intent is to merely calculate available supply, transportation, demand etc. or determine potential risks and shortages posed at any given time. AFMA also seeks clarity as to whether the intent is to be market or state specific or whole of east coast. If the intent is a state and market specific outlook, AFMA questions how AEMO intend to account for the movement of gas between those markets to determine risks and shortages. AFMA also seeks to clarify if storage facilities are intended to be included and in turn, how the development of them would be accounted for. For example, a hub being short does not necessarily mean that storage will be used as participants can have different views and positions that could have differing 'trigger factors'.

2. Data gathering

AFMA appreciates the intent to rely on existing data where possible and minimise the provision of duplicative data, and we are broadly supportive of the data gathering proposal. We believe this is important in minimising the compliance burden on industry. However, given the large quantities of data already provided by entities under existing reporting requirements, AFMA questions if this data may already be available.

The proposal is unclear as to how pipeliners data is to be gathered. This will have significant impact on making a determination as to the potential for a market being short or not. Reliable and frequent data is key to the market and its participants. While the Gas Bulletin Board already has medium term outlook from gas producers, frequency of update is unclear as producers do not see much material change in the short term when it is important for participants to be able to access any reliable data provided.

AFMA Recommendations

- i. The PASA should be published frequently enough to support the needs of the financial market
- ii. AEMO should be required to consult on the PASA methodology
- iii. Data utilised should be reliable without increasing burden on industry

AFMA would welcome the opportunity to discuss this submission further and would be pleased to provide further information or clarity as required. Please contact Monica Young via myoung@afma.com.au or 02 9776 7917.

Yours sincerely,

Monica Young

Policy Manager