

Draft rule determination

National Gas Amendment (ECGS Notice of closure for gas infrastructure) Rule

Proponents

Energy Senior Officials on behalf of the Energy Minister's Sub-Group

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About the AEMC

The AEMC reports to the energy ministers. We have two functions. We make and amend the national electricity, gas and energy retail rules and conduct independent reviews for the energy ministers.

Acknowledgement of Country

The AEMC acknowledges and shows respect for the traditional custodians of the many different lands across Australia on which we all live and work. We pay respect to all Elders past and present and the continuing connection of Aboriginal and Torres Strait Islander peoples to Country. The AEMC office is located on the land traditionally owned by the Gadigal people of the Eora nation.

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Summary

- 1 The Commission has decided to make a more preferable draft rule (“draft rule”) to require the Australian Energy Market Operator (AEMO) to report on the closure of gas infrastructure, in response to the rule change request submitted by Energy Senior Officials on behalf of the Energy Minister’s Sub-Group. The draft rule would amend the Gas Statement of Opportunities (GSOO) provisions in part 15D and the Victorian Gas Planning Report (VGPR) provisions in part 19 of the National Gas Rules (NGR) to require participants to provide this information to AEMO.
- 2 While historically the closure of gas infrastructure has not been a problem, the size and scope of the energy transition could trigger closures and expose the East Coast Gas System (ECGS) to reliability threats. At present, while infrastructure operators may choose to provide notice of closure information to the market and AEMO may choose to report this information there is no obligation to do so. As such, there is a need to ensure market participants and AEMO are providing advanced notice of infrastructure closure so that the market and policymakers are able to make efficient and timely decisions to take into account any reliability and supply adequacy threats. This rule change forms part of the broader ECGS reliability and supply adequacy reform package, with the draft rule enhancing the overall capability of the ECGS to anticipate and manage emerging supply risks across both operational and planning timeframes.
- 3 While the proponent’s preferred option was to amend the Bulletin Board medium-term capacity outlook provisions in Part 18 of the NGR to require infrastructure operators to report on planned permanent closures with at least 36 months’ advanced notice, our approach utilises the GSOO and VGPR, which we consider would provide a more fit for purpose solution promoting the long term interests of consumers.
- 4 Taking into account the potential costs and benefits of the options, and consistent with the size of the problem and the benefits of a solution the Commission believes introducing an obligation to provide advanced notice of closure in the planning reports to be a more appropriate solution because:
 - they are well-established reporting tools
 - they are easily accessible and readable by participants, governments, regulators, and policymakers
 - there are no substantive implementation costs, or IT upgrades required for participants or AEMO
 - it could avoid AEMO having to use other more interventionist tools.
- 5 We are seeking feedback on our draft determination and rule by **7 August 2025**.

Our draft rule would provide increased transparency to support the reliability and supply adequacy of the ECGS

- 6 The Commission believes the draft rule, by providing more advanced information and therefore transparency to the market, would benefit market participants, governments, regulators and policymakers by providing them with more timely information on gas supply and delivery infrastructure closures in the ECGS. By further reducing information asymmetries this would enable them to respond in an informed and efficient manner to any potential gas supply shortfalls.
- 7 Beyond AEMO, market participants and governments, the draft rule would provide valuable information to infrastructure planners, and investors seeking to align with Australia’s energy transition. Transparent notice of infrastructure changes fosters confidence and improves the

quality of public and private sector planning.

- 8 This rule change is one of four¹ rule changes that together seek to extend the reliability and supply adequacy (RSA) Framework for the ECGS. The intention for the extended Framework is to equip AEMO and market participants with tools to respond to any threat of gas supply shortfalls.
- 9 Additionally, the Commission is actively considering the work being undertaken by the Energy and Climate Change Ministerial Council (ECMC) to further expand AEMO's gas powers to address possible structural supply shortfalls in the ECGS and how that relates to these rule change requests.²
- 10 For additional background and context on the ECGS and the four RSA rule changes, please refer to the AEMC's ECGS reliability and supply adequacy rule change requests [Background Paper](#).

The draft rule would introduce a notice of closure reporting obligation into the GSOO and VGPR

- 11 At present while participants provide a range of actual and forecast planning and infrastructure information under the GSOO which can be used to gather insights into permanent closures, there is no formal obligation to give advanced notice if gas infrastructure is permanently closing.
- 12 The draft rule would ensure there is a formal obligation for closure information to be reported transparently and in advance. The obligation would:
 - Apply to seven infrastructure types that are GSOO reporting entities that meet the Bulletin Board reporting threshold, i.e. with a nameplate rating of 10TJs/day or more, due to the impact they could have on reliability, these include:
 - Production facilities
 - Pipelines
 - Compression facilities
 - Storage facilities
 - LNG import facilities
 - Blend processing facilities
 - Blended gas distribution systems
 - Apply to a reportable closure decision of the cessation of supply of gas
 - Require AEMO to report any closures through the GSOO and VGPR, with this information collected from participants through the GSOO survey process. The survey is also used for the purposes of the VGPR
 - Require a GSOO reporting entity to report any identified new information, if it came forth outside a GSOO publication cycle, to AEMO as soon as practicable. AEMO would then be required to publish a notice, and would then consider whether a supplement to the GSOO or VGPR is required.
 - Require a GSOO reporting entity to inform AEMO about a reportable closure decision, where practical, at least 36 months prior to the intended date for cessation of supply. In circumstances where the intended date for cessation of supply is within 36 months of the reportable closure decision, a GSOO reporting entity must provide reasons in writing to AEMO

1 Also see: [ECGS Reliability standard and associated settings](#), [ECGS Supplier of last resort mechanism](#), and [ECGS projected assessment of system adequacy](#).

2 Energy and Climate Change Ministerial Council, [Meetings and communiques](#), 14 March 2025.

for why it has not been practical to provide 36 months' notice. These reasons would be published.

The Commission has considered stakeholder feedback in making its decision

- 13 Several stakeholders conditionally supported a formalised notice of closure obligation as proposed by the proponent. Some stakeholders believed the rule change would increase transparency and provide more timely and efficient responses.³ Others believed that current reporting requirements already provide insights and sufficient notice for market participants to reasonably make informed and efficient decisions.⁴
- 14 On balance stakeholders supported introducing an obligation into the GSOO and VGPR, over the Bulletin Board because they believed that extending reporting obligations via planning reports was the most appropriate way to report this data and to avoid costly system changes. No stakeholders supported including a new part in the rules that mirrors the National Energy Market (NEM) notice of closure framework.
- 15 The Commission considered this and is of the view that the potential costs of implementing the Bulletin Board option are not justified against the benefits of providing transparent advanced notice of gas infrastructure closures to the market. A more fit for purpose solution would be to require AEMO to report on planned closures through the GSOO and VGPR. See section 3 for more information.
- 16 The key stakeholder observations that shaped our draft rule included that:
- The potential for material reliability impacts is contingent on the size of the infrastructure, therefore it should only apply to infrastructure that could have a material impact on system outcomes
 - It should apply at facility level and not to subcomponents, as it is the system impact of the overall facility that matters
 - The advanced notice timeframe should not penalise entities that make a closure decision within the 36 months' notification period due to exceptional circumstances.
- 17 The Commission considered these issues and is of the view that:
- The infrastructure captured by the obligation should be infrastructure that is large enough to impact the ECGS if it closed, which should be at a facility level
 - Where a decision is made to permanently cease supplying gas the information should be reported to AEMO and, where practical, this should occur 36 months in advance.

We assessed our draft rule against three assessment criteria considering stakeholder feedback

- 18 The Commission has considered the NGO⁵ and the issues raised in the rule change request and assessed the draft rule against three assessment criteria outlined below. We gathered stakeholder feedback and undertook analysis in relation to these criteria.
- 19 The draft rule would contribute to achieving the NGO by:
- **Promoting safety, security, and reliability:** by providing more transparency for government, participants, policymakers, and market a notice of closure obligation would help promote

3 APA submission to the consultation paper, p 14.

4 Submissions to the consultation paper: Jemena, p 1; Origin, p 1; APLNG, p 2.

5 Section 23 of the NGL.

reliability. While historically the closure of gas infrastructure has not been a problem, the energy transition could trigger some permanent closures and expose the ECGS to reliability threats. The draft rule would ensure market participants and AEMO are providing advanced notice of infrastructure closure to ensure the market and policymakers are making efficient and timely decisions to take into account any reliability and supply adequacy threats. The Commission believes in the long-term this would also benefit consumers by helping ensure ECGS participants are efficiently managing any reliability threats in a least cost way. See section 2.3.1.

- **Aligning with principles of market efficiency:** by introducing an obligation to report on closures through the planning reports the draft rule would increase information transparency and reduce information asymmetry in the ECGS. Improving information transparency would improve confidence, certainty, and efficiency in decisions about planning and investing in gas infrastructure. It would also improve consistency through increased alignment of gas information across available reporting tools, providing the market, governments, and policymakers with clear information on the decisions made by reporting infrastructure. See section 2.3.2.
- **Considering principles of good regulatory practice:** the draft rule considers the broader direction of reforms associated with the ECGS and ensures a notice of closure obligation interacts constructively with them, including that no requirements are unduly replicated. As such the draft rule ensures that the benefit provided by the obligation is commensurate to the solution (reporting through the GS00 and VGPR). See section 2.3.3.

The draft rule would include details of any closures from the 2026 reporting year

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| 20 | The draft rule, if made as final, would commence on 18 September 2025, so the information can be made available in the 2026 GS00 and VGPR. |
| 21 | While the primary reporting mechanism is intended to be the GS00 survey, in any instance that AEMO has finalised its GS00 survey process for 2026, the GS00 reporting entity still has an obligation under the draft rule to notify AEMO. For this reason, the Commission believes no transitional arrangements are required to ensure the information is captured in the 2026 GS00. |
| 22 | In order to manage any possible reliability or supply adequacy threats the Commission believes it is important that this obligation commences as soon as possible. |

How to make a submission

We encourage you to make a submission

Stakeholders can help shape the solution by participating in the rule change process. Engaging with stakeholders helps us understand the potential impacts of our decisions and contributes to well-informed, high quality rule changes.

How to make a written submission

Due date: Written submissions responding to this draft determination and draft rule must be lodged with the Commission by 7 August 2025.

How to make a submission: Go to the Commission's website, www.aemc.gov.au, find the "lodge a submission" function under the "Contact Us" tab, and select the project reference code GRC0074.⁶

Tips for making submissions on rule change requests are available on our website.⁷

Publication: The Commission publishes submissions on its website. However, we will not publish parts of a submission that we agree are confidential, or that we consider inappropriate (for example offensive or defamatory content, or content that is likely to infringe intellectual property rights).⁸

Next steps and opportunities for engagement

There are other opportunities for you to engage with us, such as one-on-one discussions or industry briefing sessions.

You can also request the Commission to hold a public hearing in relation to this draft rule determination.⁹

Due date: Requests for a hearing must be lodged with the Commission by 3 July 2025.

How to request a hearing: Go to the Commission's website, www.aemc.gov.au, find the "lodge a submission" function under the "Contact Us" tab, and select the project reference code GRC0074. Specify in the comment field that you are requesting a hearing rather than making a submission.¹⁰

For more information, you can contact us

Please [contact](#) the project leader with questions or feedback at any stage.

⁶ If you are not able to lodge a submission online, please contact us and we will provide instructions for alternative methods to lodge the submission.

⁷ See: <https://www.aemc.gov.au/our-work/changing-energy-rules-unique-process/making-rule-change-request/our-work-3>.

⁸ Further information about publication of submissions and our privacy policy can be found here: <https://www.aemc.gov.au/contact-us/lodge-submission>.

⁹ Section 310(2) of the NGL.

¹⁰ If you are not able to lodge a request online, please contact us and we will provide instructions for alternative methods to lodge the request.

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1 The Commission has made a draft determination to require AEMO to report on planned closures of gas infrastructure

The Australian Energy Market Commission (the Commission or AEMC) has made a draft rule in response to a rule change request, submitted by Energy Senior Officials on behalf of the Energy Minister's Sub-Group (the proponent), which seeks to amend the medium-term capacity outlook in the National Gas Rules (NGR) for the Gas Bulletin Board to capture planned closures of gas infrastructure for the East Coast Gas System (ECGS).

This chapter provides an overview of the Commission's draft rule and rationale.

- Section 1.1 outlines the draft determination and draft rule
- Section 1.2 outlines the input from stakeholders that shaped our draft determination
- Section 1.3 explains how our determination would support the reliability of the ECGS
- Section 1.4 explains how our determination would support and complement broader gas reliability and supply adequacy reforms

We are seeking feedback on this draft rule.

1.1 Our draft rule would amend the GSOO and VGPR

The draft rule makes a more preferable rule to amend the Gas Statement of Opportunities (GSOO) provision in part 15D and the Victorian Gas Planning Report (VGPR) provisions in part 19 of the NGR to introduce an obligation to require AEMO to report on the closure of gas infrastructure with at least 36 months' advanced notice.

The key features of the notice of closure obligation include:

- It would apply to seven infrastructure types that meet the Bulletin Board reporting threshold, i.e. with a nameplate rating of 10TJs/day or more, due to the impact they could have on reliability, see section 3.1.1, these include:
 - Production facilities
 - Pipelines
 - Compression facilities
 - Storage facilities
 - LNG import facilities
 - Blend processing facilities
 - Blended gas distribution systems
- It would relate to the reportable closure of the cessation of supply of gas, see section 3.1.2
- It would require at least 36 months' advanced notice, see section 3.1.3.

The draft rule would also introduce a notification requirement to require infrastructure operators to provide closure information to AEMO in circumstances where a decision is made to permanently cease supplying gas at any time after responding to a GSOO survey, including within 36 months. This information would be published by AEMO. See section 3.2.2.

The Commission believes that the main benefits of introducing the obligation into the GSOO and VGPR are:

- they are well-established reporting tools

- they are easily accessible and readable by participants, governments, regulators, and policymakers
- there are no substantive implementation costs, or IT upgrades required for participants or AEMO
- it could prevent AEMO having to use other more interventionist tools.

See section 2 for more information.

1.2 Our determination would provide increased transparency to support the reliability and supply adequacy of the ECGS

The Commission believes the draft rule, by providing more advanced information and therefore transparency to the market, would benefit market participants, governments, regulators and policymakers by providing them with more timely information on gas supply and delivery infrastructure closures in the ECGS. By further reducing information asymmetries this would enable them to respond in an informed and efficient manner to any potential gas supply shortfalls. It would also support improved forecasting for the GSOO and VGPR, and the proposed gas PASA (being considered in a separate rule change process,¹¹) further enabling more informed and efficient planning and investment decisions.

While the proponent is of the view that reporting gas infrastructure closures through the Bulletin Board would provide the greatest transparency, the Commission believes the potential costs of implementation, such as changes to reporting systems, and continual reporting requirements, associated with the Bulletin Board outweigh the benefits of a notice of closure obligation. Importantly, both the proponent and stakeholders believe that infrastructure closures are expected to occur relatively infrequently, therefore the Commission considers that reporting closures through the GSOO and VGPR would provide just as much transparency and timely information to the market as the Bulletin Board, without imposing undue reporting requirements on participants. See section 2.3.2.

1.3 Stakeholder feedback and support for a fit-for-purpose notice of closure obligation helped shape our determination

Several stakeholders conditionally supported a formalised notice of closure obligation as proposed by the proponent. Some stakeholders believed the rule change would increase transparency and provide more timely and efficient responses.¹² Others believed that current reporting requirements already provide insights and sufficient notice for market participants to reasonably make informed and efficient decisions.¹³

While stakeholders generally supported the intent of the notice of closure obligation they considered that the benefit is contingent on the design of the obligation, especially when considering participants' and AEMO's implementation costs, and the infrastructure it would apply to.¹⁴ The range of stakeholder views on the solution included supporting:

¹¹ [EGCS Projected Assessment of System Adequacy](#).

¹² APA submission to the consultation paper, p 14.

¹³ Submissions to the consultation paper: Jemena, p 1; Origin, p 1; APLNG, p 2.

¹⁴ Submissions to the consultation paper: APLNG, p 5; Jemena, p 1; AGL, p 1-2; Origin, p 2; APA, p 15; Epic Energy, p 2-3.

- Introducing the obligation into the GSOO and VGPR because they believed that extending reporting obligations via planning reports was the most appropriate way to report this data and to avoid costly IT changes¹⁵
- The Bulletin Board, noting the potential to benefit from regular updates¹⁶
- Both options but considered that integrating this obligation into the planning reports was pragmatic.¹⁷

No stakeholders supported including a new part in the rules that mirrors the National Energy Market (NEM) notice of closure framework.

In addition, stakeholders provided feedback on the scope of the obligation:

- The potential for material reliability impacts is contingent on the size of the infrastructure, smaller infrastructure is less likely to have a material effect on reliability, therefore it should apply to infrastructure that impacts system outcomes¹⁸
- It should apply at facility level and not to subcomponents, as this would give a clearer indication of changing market conditions because of the dynamic nature of asset management¹⁹
- The advanced notice timeframe should not penalise entities that make a decision within the 36 months' notification period due to change in the nature of the facility.²⁰

The Commission considered this feedback and is of the view that:

- The infrastructure captured by the obligation should be infrastructure that is large enough to impact the ECGS if it closed, which should be at a facility level, see section 3.1.2
- Where a decision is made to cease supplying gas at least 36 months in advance the information should be reported to AEMO, see section 3.1.3
- If a decision to cease supplying gas is made within 36 months of closing the information should be reported to AEMO, see section 3.2.2.

1.4 Our determination would support and complement broader gas, and reliability and supply adequacy reforms

Planning for the role of gas is a key challenge and opportunity for the energy transition

The Commission believes that one of the key challenges and opportunities we need to consider during the energy transition is planning for the role of gas. The Commission is of the view that transition planning for gas in Australia's energy system must account for consumers, networks, exports, and wholesale market impacts, with one of the challenges being certainty for investors, households, and industry.²¹

This rule change is part of stage 2 of the RSA framework reforms

The *ECGS notice of closure for gas infrastructure* rule change is one of four²² rule changes that together seek to extend the reliability and supply adequacy (RSA) Framework for the ECGS. The

15 APLNG, p 2; Epic Energy, p 3; APA, p 15; AGL, p 4.

16 Submissions to the consultation paper: Shell, p 1; AEC, p 1; Origin, p 2.

17 Submission to the consultation paper, Jemena p 1.

18 Submissions to the consultation paper: AGL, p 2-3; Shell, p 2.

19 Submission to the consultation paper, Epic Energy, p 2.

20 Submissions to the consultation paper, APA, p 14; Jemena, p 1-2.

21 AEMC, A consumer-focused net zero energy system, September 2024, p 25-26.

22 Also see: [ECGS Reliability standard and associated settings](#), [ECGS Supplier of last resort mechanism](#), and [ECGS projected assessment of system adequacy](#).

intention for the extended Framework is to equip AEMO and market participants with tools to respond to any threat of gas supply shortfalls.

Following changes to the National Gas Law (NGL) in early 2023, RSA Stage 1 reforms were implemented to manage impending risks of gas shortfalls forecast for winter 2023.²³ Since its implementation, Energy Ministers considered that additional changes in the National Gas Rules (NGR) were needed to address reliability risks in the short, medium, and long term. As such, in December 2023, Ministers directed Senior Energy Officials to progress a package of reforms to implement Stage 2 RSA Framework.²⁴

This draft rule enhances the overall capability of the ECGS to anticipate and manage emerging supply risks across both operational and planning timeframes.

The Commission is actively considering the ECMC's work to expand AEMO's powers to address supply issues

Additionally, the Commission is actively considering the work being undertaken by the Energy and Climate Change Ministerial council (ECMC) to further expand AEMO's gas powers to address possible structural supply shortfalls in the ECGS and how that relates to these rule change requests. The ECMC has tasked Senior Officials to work with AEMO to address ECGS supply issues and recommend policy options to address this over the medium term. At this stage a decision on whether to expand AEMO's powers is expected to be made in July 2025.²⁵

²³ For more details on Stage 1 RSA gas reforms, please see Chapter 3 of the AEMC's [background paper](#).

²⁴ For more details on other rule change requests that form part of the extended Framework, please see Chapter 1 of the AEMC's [background paper](#).

²⁵ [Communique, Energy and Climate Change Ministerial Council Meeting](#), 14 March 2025, p 2. See section 1.2.2 of the Background Paper.

2 The rule would contribute to the energy objectives

This chapter sets out how our draft rule promotes the National Gas Objective (NGO). It explains how our draft rule promotes the safety, security, and reliability of the gas system. This includes how it is aligned with principles of market efficiency, while also considering principles of good regulatory practice.

In this chapter:

- **Section 2.1** outlines the NGO test that the Commission must apply to make a draft rule.
- **Section 2.2** considers how the rule would apply in Western Australia.
- **Section 2.3** explains how our draft rule contributes to the NGO.

2.1 The Commission must act in the long-term interests of energy consumers

The Commission can only make a rule if it is satisfied that the rule will or is likely to contribute to the achievement of the relevant energy objectives.²⁶

For this rule change, the relevant energy objective is the NGO:

The NGO is:²⁷

to promote efficient investment in, and efficient operation and use of, natural gas services for the long term interests of consumers of natural gas with respect to—

- (a) price, safety, reliability and security of supply of natural gas; and
- (b) the achievement of targets set by a participating jurisdiction—
 - (i) for reducing Australia’s greenhouse gas emissions; or
 - (ii) that are likely to contribute to reducing Australia’s greenhouse gas emissions.

The targets statement, available on the AEMC website, lists the emissions reduction targets to be considered, as a minimum, in having regard to the NGO.²⁸

There are also a number of relevant legal requirements for the Commission to consider under the NGL to make a draft determination. These are set out in appendix B.

2.2 We must also take these factors into account

2.2.1 We have considered whether to make a more preferable rule

The Commission may make a rule that is different, including materially different, to a proposed rule (a more preferable rule) if it is satisfied that, having regard to the issue or issues raised in the rule change request, the more preferable rule is likely to better contribute to the achievement of the NGO.²⁹

For this rule change, the Commission has made a more preferable draft rule (“draft rule”). The reasons are set out in section 2.3 below.

²⁶ Section 291(1) of the NGL.

²⁷ Section 23 of the NGL.

²⁸ Section 72A(5) of the NGL.

²⁹ Section 296 of the NGL.

2.2.2 We have considered how the rule would apply in Western Australia

We have considered how the rule would apply in Western Australia.

In developing the draft rule, the Commission has considered how it should apply to Western Australia according to the following questions:

- Does the AEMC have a relevant rule-making power? Yes, the draft rule falls within the subject matters about which the Commission may make rules under the *National Gas Access (WA) Act 2009*.
- Is the AEMC amending parts of the NGR that apply in Western Australia? No, the draft rule amends Part 15D and Part 19 of the NGR, which do not apply in the Western Australian version of the NGR.

See Appendix B for more detail on the legal requirements for a decision.

2.3 Our draft rule to introduce a notice of closure obligation for gas infrastructure would contribute to the achievement of the NGO

The Commission must consider how to address the potential closure of gas infrastructure, influenced by the pace of the energy transition, and its impact on reliability and supply adequacy against the legal framework.

The Commission has identified the following **three** criteria to assess whether the proposed rule change would better contribute to achieving the NGO:

- **Safety, security, and reliability:** we have considered whether introducing a notice of closure obligation for gas infrastructure would help enable a safe, secure, and reliable gas system that would be in the long-term interests of consumers by ensuring the ECGS is fit for purpose throughout the energy transition.
- **Principles of market efficiency:** we have considered if providing advanced notice of gas infrastructure closures to market participants would increase transparency and further reduce information asymmetry and improve confidence, certainty, and efficiency in decisions about planning and investing in gas infrastructure in the ECGS.
- **Principles of good regulatory capacity:** we have considered how the rule change request would interact with other reforms in the RSA framework (stage 1 and 2) package, and the broader direction of other recent gas reforms and regulations.

These assessment criteria reflect the key potential impacts – costs and benefits – of the rule change request, for impacts within the scope of the NGO. Our reasons for choosing these criteria are set out in section 4.2 of the consultation paper.³⁰

Following stakeholder feedback to the consultation paper the Commission is satisfied that the assessment criteria are fit for purpose. One stakeholder recommended we consider the cumulative reporting impact on participants and possible duplication with any recent gas reforms and existing regulatory instruments when designing the notice of closure obligation.³¹ The Commission considers this is being contemplated under the criterion principles of good regulatory practice, where we are considering the broader direction of reforms under the RSA framework as well as other recent gas reforms.

The rest of this section explains why the draft rule best promotes the long-term interest of consumers when compared to other options and assessed against the criteria.

30 AEMC, ECGS Notice of closure for gas infrastructure, Consultation paper, 20 March 2025

31 Submission to the consultation paper, APLNG, p 5.

We also note that the rule would support broader energy transition planning by providing early insights into infrastructure changes that may reflect shifts in market dynamics or emissions policies.

2.3.1 The draft rule would promote safety, security, and reliability

The Commission considers that introducing an obligation for AEMO to report on the advanced closure of gas infrastructure in its planning reports (GSOO and VGPR), would provide more transparency for the government, participants, policymakers, and market and therefore help promote reliability.

Reliability in the ECGS is about managing gas availability to ensure gas demand is met. It is intrinsically linked to supply adequacy, which requires having sufficient gas supplied from facilities such as production, LNG import, and storage facilities, and having sufficient infrastructure capacity to deliver gas, through pipelines, in order to meet demand on any given day.

While historically the closure of gas facilities and infrastructure has not been a problem, the size and scope of the energy transition could trigger closures and expose the ECGS to reliability threats. At present, while infrastructure facilities may choose to provide notice of closure information to the market and AEMO may choose to report this information there is no obligation to do so. The proponent also notes that new gas projects can take three to five years from inception to commissioning.³² As such, there is a need to ensure market participants and AEMO are providing advanced notice of infrastructure closure to ensure the market and policymakers are making efficient and timely decisions to take into account any reliability and supply adequacy threats.

Stakeholders noted that the Bulletin Board solution would require participants and AEMO to undertake IT changes and due to the nature of the medium term capacity report functionality participants would be required to continuously report this obligation.³³ Notwithstanding the possibility that the energy transition could result in an increase in closures compared to recent experience, closures are still expected to occur relatively infrequently. Stakeholders considered the costs of this approach to capture an infrequent change would substantially outweigh any reliability benefits provided.³⁴

In considering stakeholder feedback the Commission believes the draft rule to introduce a requirement for AEMO to report in advanced on the closure of gas infrastructure in planning reports (the GSOO and VGPR) would better meet the assessment criterion than the proponent's original proposal to report it in the Bulletin Board. This is because there would be no substantive implementation costs, or IT upgrades required for participants or AEMO since the reporting would be integrated into the existing GSOO survey and process, see section 3.2. Therefore, the more preferable draft rule is designed to ensure governments, participants, and the market are notified of any infrastructure closures and are able to efficiently managing any reliability threats without undue regulatory burden.

Additionally, the draft rule captures infrastructure with a nameplate rating of 10 TJs/day or more because they are large enough to have a noticeable impact on reliability. Having the obligation fall on infrastructure of this size would provide a more accurate picture of gas production (supply) and transmission (delivery). On balance, having regard to the broader benefits to the market this reporting threshold would provide the necessary information to assess whether there are any

³² Rule change request, p 9.

³³ Submissions to the consultation paper: APLNG, p 1; Epic Energy, p 2; APA p 15.

³⁴ Submissions to the consultation paper: APA, p 15; APLNG, p 1.

reliability and supply adequacy threats posed by the infrastructures' closure. Infrastructure of this size are already GSOO reporting entities, see table 3.3.

Linking the decision made by the infrastructure operator to close to the cessation of supplying gas (see section 3.1.2) would provide the market and policymakers with maximum advance notice to respond to any reliability or supply adequacy threats while the infrastructure may not yet have completely closed or been decommissioned.

Introducing an advanced notice of closure obligation would provide another tool in the RSA framework³⁵, to allow for the monitoring and management of any risk of inefficient decisions in planning for and investing in gas infrastructure.

The Commission also considers this would benefit consumers in the long-term by helping ensure the ECGS participants are efficiently managing any reliability threats, in a least cost way, throughout the energy transition. By ensuring timely disclosure of closure intentions, the draft rule would enhance AEMO's ability to forecast and signal potential shortfalls. This would facilitate more cost-effective, market-led responses that minimise the need for government or regulatory intervention, thereby reducing system-wide costs passed on to consumers.

2.3.2 The draft rule is aligned with principles of market efficiency

The Commission considers that introducing an obligation to report on notice of closure through the planning reports is aligned to principles of market efficiency as it would increase information transparency and reduce information asymmetry in the ECGS.

Improving information transparency through an advanced notice of closure requirement would improve confidence, certainty, and efficiency in decisions about planning and investing in gas infrastructure. It would also improve consistency through increased alignment of gas information across available reporting tools, providing the market, governments, and policymakers with clear information on the decisions made by reporting infrastructure. This is in contrast to the current practice of either inconsistent reporting or incomplete information provided through available capacity information.

Information asymmetries across the ECGS create challenges in accurately forecasting supply adequacy and may reduce the value of the information to market participants. For example, the infrastructure owner or AEMO might be aware of the closure date, but other market participants are not. Importantly the draft rule, by providing more transparency and further reducing information asymmetries would also reduce the risk of reliance on AEMO to intervene, which can be costly and undermine efficient market-led responses.

The proponent is of the view that reporting gas infrastructure closures through the Bulletin Board would provide the greatest transparency and that unlike the planning reports, which are only published annually, the market would benefit from information on the Bulletin Board because it can be published continuously.³⁶ The Commission believes the necessary system upgrades and continual reporting requirements associated with the Bulletin Board outweigh the benefits. Further, the draft rule has addressed the annual publication issue by requiring infrastructure operators to notify AEMO in the circumstance a decision is made to cease supplying gas at least or within 36 months where it does not fall within the GSOO survey cycle, see section 3.2.2. The Commission considers that reporting closures through the GSOO and VGPR would provide the greatest

35 See Appendix A of the [Background Paper](#) for comprehensive overview of existing and proposed regulatory tools for gas reliability.

36 Rule change request, p 12-13.

transparency to the market without requiring potentially costly system upgrades or continual reporting.

2.3.3 The draft rule considers principles of good regulatory practice

The Commission considers that introducing a notice of closure obligation takes into consideration principles of good regulatory practice by ensuring it interacts constructively with other gas reforms. The draft rule considers the broader direction of reforms associated with the ECGS's RSA framework (stage 1 and 2), and other gas reforms.³⁷ See section 1.4 for more information.

In line with stakeholder feedback³⁸ the Commission has considered how a notice of closure obligation would interact with the RSA stage 1 reforms³⁹ and the other three rule changes associated with the stage 2 reforms.⁴⁰ Together the RSA reforms seek to further equip AEMO and market participants with tools to respond to any threat of gas supply shortfalls. While notice of closure would support improved forecasting of the proposed gas PASA tool,⁴¹ the Commission is satisfied there is no duplication between introducing a notice of closure obligation and the other stage 2 reforms,⁴² rather it is a complementary tool.

Under the draft rule, the advanced notice of closure reporting obligation is designed to be commensurate to the benefit it provides. The Commission has considered stakeholder feedback that:

- Existing reporting and monitoring tools can already be used to reasonably foresee a closure⁴³
- The benefit provided by the obligation would depend on the design of the solution.⁴⁴

While the Commission agrees that participants could use existing information to get insights into the possibility of a closure, currently there is no firm obligation on any party to confirm and report a closure in advance. The Commission's draft rule would obligate AEMO to report on closures through the GSOO and VGPR in order to ensure the information is clearly communicated and reported, not just inferred, without imposing any undue regulatory burden on participants.

The Commission considers that requiring this obligation to be reported through the GSOO and VGPR reflects good regulatory practice as it is a reporting mechanism that is well utilised and understood by AEMO, market participants, and policymakers. Additionally, the infrastructure captured by this obligation are already classified as GSOO reporting entities, this means that there is no added regulatory burden being imposed on the infrastructure operators.

The Commission considers, in line with stakeholder feedback, that the proponent's preferred approach of reporting closures through the Bulletin Board did not satisfy the assessment criterion of good regulatory practice because its implementation would unduly burden participants relative to the benefit it would provide.⁴⁵

In summary, we consider that the following elements of the draft rule minimise regulatory burden and so are consistent with principles of good regulatory practice:

³⁷ Table A.1 in the [Background Paper](#).

³⁸ Submission to the consultation paper, APLNG, p 5.

³⁹ For more details on Stage 1 RSA gas reforms, please see Chapter 3 of the AEMC's [background paper](#).

⁴⁰ Also see: [ECGS Reliability standard and associated settings](#), [ECGS Supplier of last resort mechanism](#), and [ECGS projected assessment of system adequacy](#).

⁴¹ Notice of closure rule change request, p 16.

⁴² See section 1, [Background Paper](#).

⁴³ Submissions to the consultation paper: Jemena, p 1; Origin, p 1; APLNG, p 5.

⁴⁴ Submission to the consultation paper, AGL, p 2-3.

⁴⁵ Submissions to the consultation paper: APLNG, p 5; Epic Energy, p 2-3; APA, p 15; AGL, p 4.

- the use of the GS00 and VGPR leverages existing reports and survey mechanisms and so avoids system changes
- the 36 month “where practicable” test encourages avoids penalising unforeseeable closures; and
- the facility-level threshold avoids overly burdensome reporting by smaller assets

3 Our draft rule would introduce an advanced notice of closure obligation for gas infrastructure in the NGR

This chapter provides an overview of the draft rule which takes into account stakeholder feedback provided in submissions to the consultation paper.

- Section 3.1 explains what the notice of closure obligation would apply to
- Section 3.2 describes how the obligation would be given effect through AEMO's planning reports
- Section 3.3 outlines when the rule would commence

3.1 The draft rule would introduce a notice of closure obligation for gas infrastructure

Box 1: The draft rule introduces an advanced notice of closure obligation

The draft rule would apply to seven infrastructure types that could impact reliability and supply adequacy of the ECGS if they close:

- 1) Production facility
- 2) Pipeline
- 3) Storage facility
- 4) Compression facility
- 5) LNG import facility
- 6) Blended gas distribution system
- 7) Blend processing facility

The reporting trigger would be where the infrastructure operator has made a closure decision to permanently cease supplying gas, as such this would not apply to planned or unplanned maintenance, refurbishment, or other modifications.

The infrastructure operator would be required to inform AEMO as soon as practicable after a decision is made to permanently cease supplying gas at least 36 months' prior to the intended date for cessation.

At present while participants provide a range of actual and forecast planning and infrastructure information under the GSOO and VGPR which can be used to gather insights into permanent closures,⁴⁶ there is no formal obligation to give advanced notice if gas infrastructure is permanently closing.

While the current NGR provides a range of monitoring and communication tools to help identify and signal supply threats to the ECGS (see table 3.1 below) none of these tools currently specifically require participants to disclose, or AEMO to report on, a decision to close gas infrastructure. At best, participants who have the systems in place and are familiar with these tools could infer a closure based on reported capacity information. Alternatively, information may be disclosed by some participants as a result of other regulatory obligations, for example through market disclosures on the ASX.

46 Submission to the consultation paper, APLNG, p 3.

The draft rule would ensure there is a formal obligation for closure information to be reported transparently and in advance. The Commission believes that this would help reduce information asymmetries in how and when this information is communicated to the market. See section 2.3.2.

Table 3.1: Current NGR monitoring and communication tools

Monitoring or communication tool	Purpose (short, long, medium, forecasting, planning)	Information provided on planned closures	Publication frequency
Gas Statement of Opportunities (GSOO)	A longer term forecasting and planning tool that is prepared by AEMO. Provides a static point in time assessment of the adequacy (or otherwise) of supply and the infrastructure involved in the supply of gas to meet forecast east coast demand and to signal where investment maybe required.	AEMO may obtain information on planned reductions in capacity or retirements of infrastructure (at any point in time through the survey process), but there is no requirement for AEMO to publish this information.	Annually. Note: AEMO can publish a 'supplement' to the GSOO within the year (rule 135KD of the NGR). It is required to do so if 'significant and verifiable new information relevant to the GSOO is brought to AEMO's attention'.
Victorian Gas Planning Report (VGPR)	A longer term forecasting and planning tool that is prepared by AEMO in relation to the Declared Wholesale Gas Market. Provides a static point in time assessment of the adequacy (or otherwise) of supply and the infrastructure involved in the supply of gas to meet forecast east coast demand and to	AEMO may obtain information on planned reductions in capacity or retirements of infrastructure, but there is no requirement for it to publish this information.	Annually. Note: while the NGR only requires the VGPR to be published every 2 years, in practice AEMO has published the VGPR annually.

Monitoring or communication tool	Purpose (short, long, medium, forecasting, planning)	Information provided on planned closures	Publication frequency
	signal where investment maybe required.		
The Bulletin Board	<p>A website operated by AEMO that contains a mix of short and medium term market and system information for a range of facilities involved in the supply, delivery and use of gas in the east coast that can be used to inform decisions by market participants (see Part 18 of the NGR).</p>	<p>Not explicitly required to provide information about permanent closures.</p> <p>Planned permanent capacity reductions must be reported, but this currently only applies to capacity reductions 'due to modification of the BB facility' (including maintenance and planned reductions and expansions of capacity) for a 24-month outlook period.</p> <p>Does not require BB facility operators to clearly state if a reduction in the facility's capacity to zero is only temporary or due to permanent closure.</p>	Updated continually as required.
Part 27	The new Part 27 information disclosure and communication tools, which have been implemented in Stage 1 RSA reforms enable AEMO to monitor the reliability and adequacy of supply in the east coast.	Not required.	Rolling 7-day and 6-month outlook period.
Winter readiness plan for the	AEMO can	Not required.	Annual publication

Monitoring or communication tool	Purpose (short, long, medium, forecasting, planning)	Information provided on planned closures	Publication frequency
Victorian Declared Wholesale Gas Market (DWGM)	publish an annual winter readiness plan for the Victorian Declared Wholesale Gas Market.		on the request of Ministers.

Source: Rule change request, pp 8-10.

3.1.1 The obligation would apply to seven infrastructure types

The draft rule would apply:

- To seven infrastructure types that meet the Bulletin Board reporting threshold, where the nameplate rating⁴⁷ is or will be equal to or more than 10 TJs of gas per day. See table 3.2 below
- At whole of facility level, not to subcomponents.

Table 3.2: The reporting obligation would apply to these seven infrastructure types

Infrastructure includes	Definition	Examples
Production facility	A gas processing plant at which natural gas, or facility at which any other primary gas, is produced in a form suitable for injection into one or more pipelines. This does not include a blend processing facility.	Longford Gas Plant (Vic) Otway Gas Plant (Vic) Moomba Gas Plant (SA) Woleebee Creek (Qld)
Pipeline	A transmission pipeline that is a scheme pipeline or designated pipeline or any other BB transmission pipeline that meets the reporting threshold. This does not include distribution systems.	South West Queensland Pipeline Moomba to Sydney Pipeline Eastern Gas Pipeline Victorian Transmission System
Storage facility	A facility for storing gas (including LNG) for injection into a pipeline. This does not include a facility for storing imported LNG as part of an LNG import facility, or a facility for storing LNG prior to export	Iona Underground Gas Storage

⁴⁷ Nameplate rating: means the maximum daily capacity of the facility under normal operating conditions.

Infrastructure includes	Definition	Examples
	at an LNG export facility.	
Compression facility	A designated or standalone compression service facility.	Wallumbilla Compressor Station
LNG import facility	A facility for unloading of LNG delivered by ship, storage of LNG, and processing of the LNG to a gaseous state.	Port Kembla Import Facility
Blended gas distribution system	A distribution system that transports a gas blend that is subject to a blending limit.	Hydrogen Park South Australia
Blend processing facility	A facility that blends one or more primary gases with or without other substances for injection into a pipeline, or the separation of a gas blend withdrawn from a pipeline before re-injection.	Hydrogen Park South Australia Hydrogen Park Murray Valley Hydrogen Park Gladstone

Source: AEMC, these are existing definitions in the National Gas Rules.

The proponent proposed that operators of production, pipeline, compression, and storage facility infrastructure that meet the Bulletin Board reporting threshold would be subject to this obligation.⁴⁸ The proponent also proposed that large users would not be subject to this obligation.⁴⁹

Stakeholders recommended that the obligation should apply to facilities with the most material impact to reliability. In particular, they considered the obligation should:

- Apply at a facility level because decommissioning a subcomponent does not imply closure of the plant as a whole⁵⁰
- Not apply to large users⁵¹

The Commission considers that the obligation should apply to whole facilities rather than subcomponents because we appreciate the nature of gas infrastructure is complex. For instance, the retirement of individual wells or fields is primarily determined by geological and geophysical characteristics and therefore technically complex to determine,⁵² and an individual well or field closing does not necessarily imply that a production facility is ceasing production.

The draft rule would include the infrastructure the proponent recommended⁵³ in addition to blend processing facilities, blended gas distribution facilities, and LNG import facilities.⁵⁴ The Commission considers that the three additional facilities should be captured by the obligation

48 Rule change request, p 5.

49 Rule change request, p 13.

50 Submissions to the consultation paper: Epic Energy, p 3; Shell, p 3; AEC, p 1.

51 Submission to the consultation paper, AGL, p 3.

52 Submission to the consultation paper, AEC, p 1.

53 Rule change request, p 5.

54 Blend processing facilities and Blended gas distribution facilities were not explicitly mentioned in the rule change request because at the time it was being developed, they were not part of the Bulletin Board reporting framework.

because they would provide a more complete view of the production and transmission supply chain which is important to understand in managing any potential reliability threats.

Based on stakeholder feedback the Commission believes that there is a benefit to having these seven infrastructure types report closure information. Specifically, the Commission considers that:

- the obligation should fall on the commercial offering, for example pipeline infrastructure operates as an integrated system, but the commercial offering is generally the pipeline in its entirety⁵⁵
- an obligation on infrastructure of these types and size would provide a more accurate picture of gas production, storage, pipeline flows, and consumption in the east coast which, on balance, would provide the necessary information to assess whether there are any reliability or supply adequacy threats posed by the closure.

The draft rule does not include:

- Large user facilities: a significant sub-section of large users, GPGs, are already subject to the NEM notice of closure obligation and therefore it would be duplicative to include GPG in the scope of this draft rule. Other large users are unlikely to pose a material risk to reliability and could in fact improve reliability in the short term
- LNG export facilities: would not negatively impact domestic reliability if it closed, for example a facility which draws on the domestic market to make good its contracts could theoretically help domestic supply if it no longer required gas from the domestic market
- Distribution networks: their closure would likely be triggered by a loss of small and residential customers due to electrification or as a downstream consequence of decisions made by those facilities proposed to be captured in this obligation. The issues and costs associated with this are being considered in a separate rule change process.⁵⁶

3.1.2 The obligation would apply to infrastructure that will permanently cease supplying gas

The reporting trigger for the notice of closure obligation would apply to a reportable closure decision.⁵⁷ This means that if any of the seven gas infrastructure types are to permanently cease supplying covered gas services, the infrastructure operator must report this to AEMO, and it would be made publicly available. This information would be provided to AEMO either through the GS00 survey process or, if new information is identified after responding to a GS00 survey, through a notification to AEMO. See section 3.2 for more information on how the draft rule would be given effect through the GS00. Importantly, this would capture permanent closures, but would not capture changes in capacity due to temporary closure for planned or unplanned maintenance, refurbishment, or other modifications.

Stakeholders supported the obligation capturing permanent closure

APA recommended that 'closure' should refer to permanent closure of assets. They supported the proponent's position that this should not capture maintenance, refurbishment or other modifications that do not result in a cessation gas.⁵⁸

The Commission considers, in line with stakeholder feedback, that this obligation should capture permanent closure decisions. We consider that notification of closure should occur before

55 Submission to the consultation paper, Epic Energy, p 2.

56 Energy Consumers Australia has submitted [four rule change requests](#).

57 Draft rule, rule 135K, definition of 'reportable closure decision'.

58 Submission to the consultation paper, APA, p 14.

decommissioning or possible remediation in order to maximise the market and policymakers' response to any potential reliability threats.

3.1.3 The advanced notice of closure obligation would promote timely reporting to the market

The draft rule would require infrastructure operators to inform AEMO as soon as practicable after a decision is made to permanently cease supply, and where practicable, at least, 36 months prior to the intended date for cessation of supply.⁵⁹ Infrastructure operators would either inform AEMO through the GSOO survey process, or by notification, see section 3.2.

The proponent proposed 36 months as the notice period based on their initial consultation on the stage 2 reforms. At this stage, feedback from stakeholders noted that new gas infrastructure projects can take three to five years from inception to commissioning.⁶⁰ The proponent believes that having a notice period of at least 36 months prior to closure could provide market participants sufficient time to make informed and efficient decisions about how to respond and mitigate the impacts of the closure, as well as enable governments to make more informed policy decisions.⁶¹

In response to our consultation paper, stakeholders noted that:

- 36 months would not provide enough lead time for market participants to be informed and efficient decisions about how to mitigate the impacts of the closure to be made⁶²
- a fixed 36 month notice period would result in either too late or too early notice depending on the infrastructure type.⁶³
- a closure decision should still be able to occur within 36 months.⁶⁴

The Commission has considered the benefit of providing advanced notice of closure to market participants with sufficient time to respond to any reliability threats against the potential limitations or constraints of any specific notice period. Under the draft rule, we consider that there is benefit in the reporting entities providing as much notice as possible. As a result, the definition of a reportable closure decision is not strictly time-bound and could be made, and therefore reported, before the 36 months' notice period suggested by the proponent.

We acknowledge, consistent with the proponent's view, that in general terms there is a window [in](#) which market participants and policymakers can respond effectively to a notice of closure. We consider that this is, where practical, 36 months prior to the cessation of supply. However, the Commission has not sought to set a strict minimum notice period in the draft rule⁶⁵, as this could create practical difficulties in circumstances where a closure decision happens within 36 months' for some unforeseen circumstance.

In this circumstance, the draft rule would require the reporting entity to provide reasons in writing to AEMO on why notice could not be given 36 months in advance.⁶⁶ The reasons would be published by AEMO. This approach balances the desired intent of early disclosure with a recognition that exceptional circumstances may arise. When a shorter notice period is provided the Commission considers this additional information is important to help market participants

59 Draft rule 135KE(4C); Draft rule 324(5A).

60 Rule change request, p 12.

61 Rule change request, p 16.

62 Submission to the consultation paper, Origin, p 1.

63 Submission to the consultation paper, AGL, p 4.

64 Submission to the consultation paper, Jemena, p 1.

65 Draft rule 135KE(4C); draft rule 324(5).

66 Draft rule, 125KE(4D).

respond to any potential reliability and supply adequacy threats as efficiently as possible. By providing further information and therefore greater transparency, the market, participants, governments, and policymakers would be able to more accurately understand the circumstances around the closure decision and respond accordingly.

In order to account for these sorts of circumstances with a strict minimum notice period, the Commission would need to explore an exemptions framework or other mechanism to address non-compliance risks. We consider that this would create regulatory complexity that is not proportionate to either the problem or potential benefit. Therefore, we consider that the draft rule strikes the balance between sufficient and timely information on potential reliability and supply threats to the ECGS and taking into account practical constraints.

Additionally, reporting entities are likely to have other reporting requirements, for example, through market disclosures to the ASX. The intent of the draft rule is to provide helpful information to reduce any information asymmetries which could help inform and manage reliability and supply adequacy. We would expect that in practice reportable closures would be disclosed at least 36 months or more in advance except in exceptional circumstances. We welcome stakeholder views on this approach.

3.2 The notice of closure obligation would be reported through the GSOO and VGPR

Box 2: Closure would be reported through the GSOO and VGPR

The draft rule would require AEMO to report any closures through the GSOO and VGPR. This information would be collected from participants through the GSOO survey process. The survey is also used for the purposes of the VGPR.

The survey requires GSOO reporting entities (which captures the seven infrastructure types) to participate and respond to AEMO's questions. The draft rule would require the GSOO reporting entity to provide information in relation to any reportable closure and the intended date for cessation of supply.

If the GSOO reporting entity identifies new information in relation to a reportable closure after responding to a GSOO survey the draft rule would require it to provide the information to AEMO as soon as practicable. This could include a change to a previously disclosed intended date for cessation of supply. AEMO would then be required to publish a notice, and would then consider whether a supplement to the GSOO and VGPR is required.

The draft rule, if made as final, would commence on 18 September 2025 with the details of any reportable closure decisions included in the 2026 reporting year.

The draft rule is designed to ensure notice of closure information is reported in advance without undue reporting obligations or costs placed on participants and in a form that is beneficial to market participants and other stakeholders. Therefore, the Commission has made a draft rule to give effect to the obligation by amending the GSOO and VGPR to require AEMO to report any closures. The information would be reported through both planning reports to ensure closure information is adequately captured across all components of the ECGS including the Victorian Declared Transmission System.

The proponent's preferred approach was to amend the Bulletin Board medium term capacity outlook provisions in Part 18 of the NGR to require infrastructure operators to report on closures. The proponent believed that the Bulletin Board was the best option because:

- It has an existing reporting and penalty framework
- Information on planned closures would be published in a timely, frequent, and readily accessible manner
- It would benefit operators, because they are familiar with the reporting framework and have existing systems in place
- It would avoid the need to develop and maintain a separate reporting platform.

While some stakeholders agreed that the Bulletin Board would be a good solution as it would allow for regular updates and notification at any time, on balance stakeholders favoured including the obligation in the GS00 and VGPR. Stakeholders cited concerns with implementation costs related to process and system changes, specifically that the Bulletin Board option would result in substantial costs to augment IT systems (including AEMO).⁶⁷ Stakeholders also considered that the annual publication of the GS00 and VGPR is not a reason in itself to not proceed with it, as this limitation could be addressed.⁶⁸

The Commission believes requiring AEMO to report on expected closures through the GS00 and VGPR is a fit for purpose solution that is consistent with the materiality of the problem proposed because They are:

- well-established reporting tools
- low cost options to implement
- easily accessible and readable by non-market entities and broader audiences.

The Commission agrees with stakeholders that the annual reporting limitation can be overcome, see section 3.2.2.

3.2.1 Information on reportable closure decisions would be collected through the GS00 and VGPR survey process

AEMO's relies on GS00 reporting entities, see Table 3.3 below, to provide information that is accurate and timely through a GS00 survey.⁶⁹

Table 3.3: GS00 reporting entities

GS00 reporting entity capacities	Description
(a) A person who owns, operates or controls a covered gas industry facility	<p>This includes a person who owns, operates or controls:</p> <ul style="list-style-type: none"> (i) a pipeline that has a nameplate capacity equal to or more than 10TJ/d (ii) a compression service facility (iii) a gas production facility (iv) a blend processing facility (v) an LNG export facility or an LNG import facility which processes more than 2 PJ per year from one or more sites (vi) a storage facility that holds a capacity of 0.5PJ at one or more sites

⁶⁷ Submissions to the consultation paper: APLNG, p 5; Epic Energy, p 3; APA, p 15.

⁶⁸ Submission to the consultation paper, AGL, p 4.

⁶⁹ Rule 135KE(2)-(3).

GS00 reporting entity capacities	Description
	(vii) a user facility: for gas-fired power generation that consumes gas for the purposes of electricity generation; or that consumes more than 0.5 PJ per year (viii) a BB field that holds reserves and/or resources.
(b) BB reporting entity	a BB reporting entity under Part 18 of the NGR, including: (i) a field owner for a BB field interest (ii) a facility operator for a BB facility (iii) a facility developer for a facility development project
(c) Distributor or network operator	a distributor or network operator under Part 15A or Part 18 of the NGR
(d) retailer or self-contracting user	retailer or self-contracting user (including market participant-other) registered under Part 15A of the NGR
(e) BB shipper or STTM Shipper	(i) BB shipper as defined in Part 18 of the NGR (whether registered under Part 18 or not) (ii) STTM shipper registered under Part 15A of the NGR
(f) user	user registered under Part 15A as any of the following: (i) a BB large user facility (ii) a STTM User (iii) a Market Participant - Distribution Customer (iv) a Market Participant - Transmission Customer.
(g) Relevant entity	relevant entity under Part 27 of the NGR

Source: AEMO, [GS00 Procedures](#), Table 1.

The survey adheres to a carefully planned timeline, Figure 3.1 below illustrates an example of key dates for the GS00 survey process.

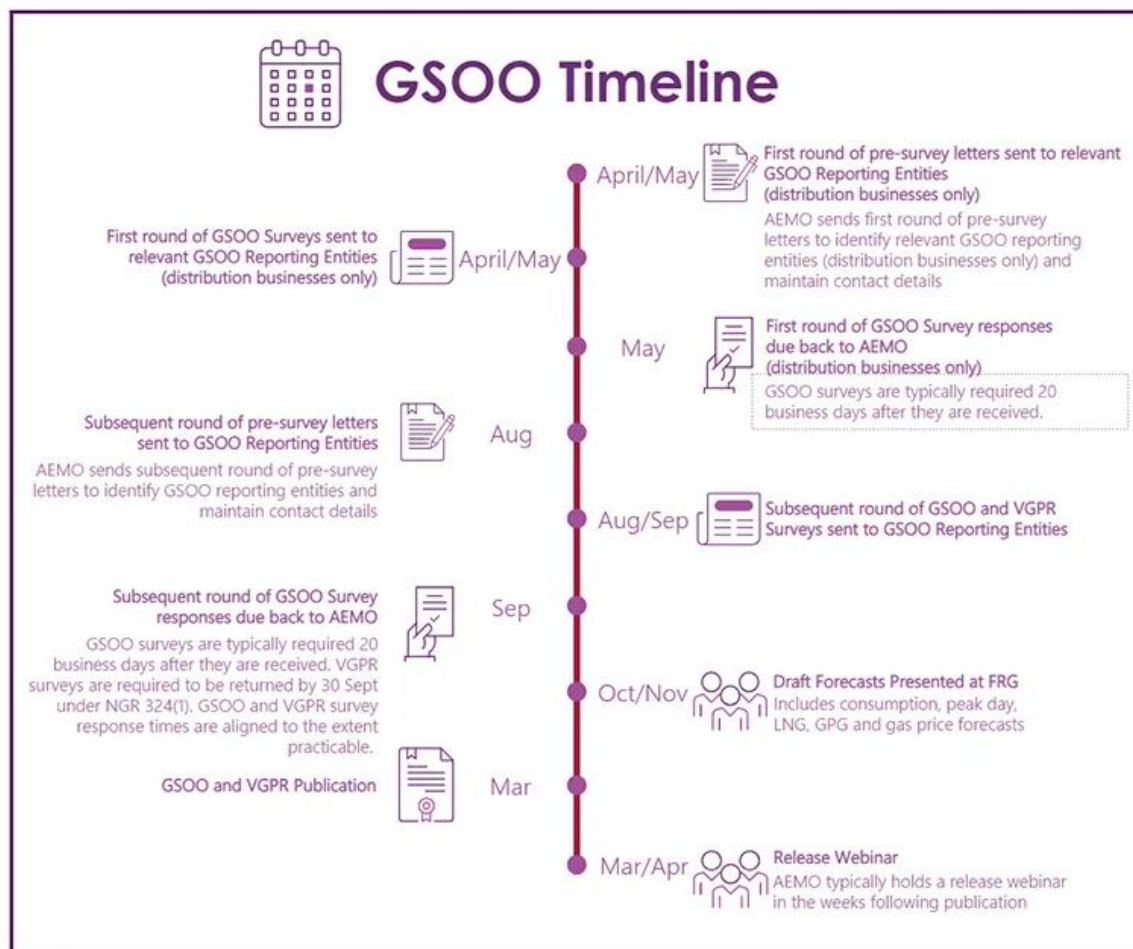
The GS00 survey comprises questions that are relevant to that GS00 reporting entity or class of GS00 reporting entities.⁷⁰ The most recent survey templates are made available on AEMO's website.⁷¹ The information collected through a GS00 survey can also be used by AEMO to prepare and publish the VGPR⁷² meaning there is minimal risk of duplication for reporting entities between the planning report processes.

⁷⁰ GS00 Procedures, p 8.

⁷¹ [GS00 Survey Examples](#)

⁷² Rule, 135KH(1A).

Figure 3.1: Example of a GSOO Timeline



Source: AEMO, GSOO, Timelines, Procedures and Surveys, <https://aemo.com.au/energy-systems/gas/gas-forecasting-and-planning/gas-statement-of-opportunities-gsoo/timelines-procedures-and-surveys>.

Note: The exact timeline followed in any particular year may differ.

The draft rule would require the seven infrastructure types, outlined in section 3.1.1, (who are GSOO reporting entities),⁷³ to report a closure to AEMO through the usual GSOO survey process.

The Commission considers that unlike the Bulletin Board, this is a simple process that GSOO reporting entities are familiar with and would not require changes to the GSOO survey process. See section 2.3.1.

The information collected by AEMO through the GSOO survey will then be used to inform both the GSOO and VGPR.

Importantly, a person who has possession or control of information in relation to the covered gas industry must give information to AEMO for use in the preparation, review, revision or publication of the GSOO if the person is required to do so under the Rules and the information must be given to AEMO in accordance with the Rules.⁷⁴ A person who gives GSOO information to AEMO does not

⁷³ The infrastructure captured by the obligation are GSOO reporting entities, as per [GSOO Procedures](#), part 2.

⁷⁴ Section 91DB of the NGL.

incur any civil monetary liability in giving that information unless it is done in bad faith or negligent.⁷⁵

3.2.2 **AEMO would be required to publish a notice if closure information came forth outside a publication cycle**

The draft rule would ensure any new information in relation to a reportable closure decision would be captured and reported on outside of the GS00 survey process. The process would include:

1. GS00 reporting entity identifies new information after responding to a GS00 survey

A reporting entity identifies new information, including:

- a new reportable closure decision; or
- a change to the intended date for cessation of supply previously disclosed to AEMO.

2. GS00 reporting entity provides new information to AEMO as soon as practicable

Where a reporting entity identifies new information, including a new reportable closure decision or a change to the intended date previously disclosed to AEMO, after responding to a GS00 survey it must provide the new information to AEMO as soon as practicable.⁷⁶

3. AEMO publishes notice with new information as soon as practicable

AEMO would publish a notice on its website regarding the new information as soon as practicable.⁷⁷

4. AEMO considers whether it is appropriate to publish a supplement to either the GS00 or VGPR⁷⁸

AEMO would consider whether to publish a supplement. For the GS00, AEMO is only required to publish a supplement if 'significant and verifiable' new information relevant to the GS00 is brought to AEMO's attention.⁷⁹ Currently, the VGPR requires AEMO to update the planning review if it becomes aware of any new information that materially alters it.⁸⁰ The draft rule would bring the VGPR into line with the GS00; it would have AEMO publish a supplement if it considers that the new or changed information materially alters the most recently published VGPR.⁸¹

In line with stakeholder feedback, the Commission considers that this process would ensure the market receives new or updated closure information in a timely, transparent, and least cost way if new information comes forth out of the GS00 and VGPR publication cycles. This reporting requirement is designed to complement, not duplicate, existing legal obligations such as ASX continuous disclosure requirements or project-specific regulatory approvals. Additionally, this would also ensure that any reportable closure decisions made within the 36 months' reporting timeframe would be reported as soon as practicable. See section 3.1.3.

3.3 **The draft rule would include details of any closures from the 2026 reporting year**

The draft rule, if made as final, would commence on 18 September 2025, so the information can be made available in the 2026 GS00 and VGPR.

⁷⁵ s91DE of the NGL.

⁷⁶ Draft rule 135KE(4B).

⁷⁷ Draft rule 135KDA; Draft rule 323(6)(a).

⁷⁸ Note: the VGPR is informed by the GS00 survey.

⁷⁹ Rule 135KD of the NGR.

⁸⁰ Rule 323(5).

⁸¹ Draft rule 323(6)(b).

As outlined in sections 3.2.1 and 3.2.2 GS00 reporting entities would be required to report to AEMO on commencement of the rule if they have made a decision to permanently cease supplying gas. While the primary reporting mechanism is intended to be the GS00 survey, in any instance that AEMO has finalised its GS00 survey process for 2026, the reporting entity still has an obligation to notify AEMO. For this reason the Commission believes no transitional arrangements are required to ensure the information is captured in the 2026 GS00 and VGPR. The Commission believes it is important that this obligation commences as soon as possible to manage any potential reliability or supply adequacy threats.

Additionally, the Commission is of the view that AEMO would not be required to update the GS00 Procedures given that the definition of GS00 reporting entity in the procedures document includes infrastructure that meets the BB reporting threshold.⁸²

82 See [GS00 Procedures](#), part 2.

A Rule making process

A standard rule change request includes the following stages:

- a proponent submits a rule change request
- the Commission initiates the rule change process by publishing a consultation paper and seeking stakeholder feedback
- stakeholders lodge submissions on the consultation paper and engage through other channels to make their views known to the AEMC project team
- the Commission publishes a draft determination and draft rule (if relevant)
 - stakeholders lodge submissions on the draft determination and engage through other channels to make their views known to the AEMC project team
- the Commission publishes a final determination and final rule (if relevant).

You can find more information on the rule change process on our website.⁸³

A.1 Energy Senior Officials proposed a rule to introduce an advanced notice of closure obligation for the ECGS

The 'ECGS notice of closure for gas infrastructure' rule change request⁸⁴ is one of four rule change requests that together seek to extend the RSA Framework for the ECGS. The intention for the extended Framework is to equip AEMO and market participants with tools to respond to any threat of gas supply shortfalls.

The proponent is of the view that, while historically gas infrastructure closures have not been an issue, the size and scope of the energy transition could trigger the closure of some natural gas supply and delivery infrastructure. The proponent believes that without sufficient advanced notice given to the market these closures could impact on the reliability of supply of the ECGS by limiting the ability of market participants to respond in an informed and efficient manner to any RSA threats associated with the closure.

The proponent considers that current gas market monitoring and communication tools do not provide market participants with sufficient notice for planned closures of gas supply and delivery infrastructure.⁸⁵

The proponent believes that the absence of advanced reporting requirements for the closure of gas supply and delivery infrastructure in the rules would adversely affect the market. Having incomplete, inaccurate, or asymmetric information could:

- Limit the ability of market participants to plan and respond in an informed and efficient manner to any threats associated with any closures⁸⁶
- Affect the efficiency with which gas supply and delivery infrastructure and resources are allocated, ultimately impacting the reliability of supply for the ECGS⁸⁷
- Impact the NEM and electricity supply because GPG may also be impacted.⁸⁸

⁸³ See our website for more information on the rule change process: <https://www.aemc.gov.au/our-work/changing-energy-rules>.

⁸⁴ [Rule change request](#).

⁸⁵ Rule change request, p 9.

⁸⁶ Rule change request, p 8.

⁸⁷ Rule change request, p 10.

⁸⁸ Rule change request, p 10.

A.2 The rule change request proposed three options to implement a notice of closure obligation

The proponent identified three potential options⁸⁹ to implement an advanced notice of closure obligation:

1. **Option 1:** Amend the Gas Statement of Opportunities (GSOO) provisions in Part 15D of the NGR and Victorian Gas Planning Report (VGPR) provisions in Part 19 of the NGR to require AEMO to report on planned closures of supply and delivery infrastructure with at least 36 months notice.
2. **Option 2** (the proponent's preferred option): Amend the Bulletin Board medium-term capacity outlook provisions in Part 18 of the NGR to require supply and delivery infrastructure operators to report on planned permanent closures with at least 36 months notice.
3. **Option 3:** Include a new part in the rules that requires a notice of closure of supply infrastructure and largely mirrors the requirements in the NEM. This would provide at least 42 months⁹⁰ advanced notice of closure.

Option 2 is the proponent's preferred approach because, in their view, it would provide the greatest transparency of planned closures, while also providing a relatively 'light touch' approach by using the existing Bulletin Board reporting and penalty framework. The proponent believes that this would minimise costs and impacts on affected parties without compromising the benefits of improving transparency around planned closures.⁹⁰

A.3 By providing more transparency the rule change request proposed that an advanced notice of closure obligation could contribute to reliability of the ECGS system

The proponent states that the proposed rule is expected to benefit market participants by providing them with more timely and transparent information on planned supply and delivery infrastructure closures. It would also support improved forecasting through improved alignment with the GSOO, VGPR and proposed gas PASA, enabling more informed and efficient planning and investment decisions by market participants and governments.⁹¹

This could facilitate timelier and more efficient decision-making and market led responses, which could directly benefit individual market participants, gas consumers and the market more generally, by allowing market participants to:

- Make more timely, informed, and efficient consumption, production, infrastructure use and investment decisions in relation to:
 - supply and delivery infrastructure that is closing
 - replacement sources of supply (covered gas or other lower emission energy sources) and delivery infrastructure
 - their own facilities, which could involve implementing energy efficiency measures to reduce their covered gas consumption or switching to lower emission energy sources.
- Respond in a more timely, informed, and efficient manner to any reliability or supply adequacy threats that may be associated with the closure and, therefore, limit the need for more costly and potentially distortionary interventions by AEMO.

⁸⁹ Rule change request, p 10-11.

⁹⁰ Rule change request, p 13.

⁹¹ Rule change request, p 16.

The proponent states that the proposed rule would also result in significant indirect benefits, by avoiding the reliability and supply adequacy threats, inefficient decision-making and inefficient allocation of resources that may be associated with an unanticipated closure of supply and delivery infrastructure, the costs of which would ultimately be borne by gas consumers.

In effect, the proponent states that providing advanced notice of planned closures could facilitate more timely and efficient responses by market participants and could reduce the need for AEMO to intervene to address reliability or supply adequacy threats through the use of more interventionist tools (e.g. by issuing directions) that could have a range of adverse effects on the market.

A.4 The process to date

On 20 March 2025, the Commission published a notice advising of the initiation of the rule making process and consultation in respect of the rule change request.⁹² A consultation paper identifying specific issues for consultation was also published. Submissions closed on 17 April 2025. The Commission received nine submissions as part of the first round of consultation. The Commission considered all issues raised by stakeholders in submissions. Issues raised in submissions are discussed and responded to throughout this draft rule determination.

⁹² This notice was published under section 303 of the NGL.

B Legal requirements to make a rule

This appendix sets out the relevant legal requirements under the NGL for the Commission to make a draft rule determination.

B.1 Draft rule determination and draft rule

In accordance with section 308 of the NGL, the Commission has made this draft rule determination for a more preferable draft rule in relation to the rule proposed by the proponent.

The Commission's reasons for making this draft rule determination are set out in chapter 2.

A copy of the more preferable draft rule is attached to and published with this draft determination. Its key features are described in chapter 3.

B.2 Power to make the rule

The Commission is satisfied that the more preferable draft rule falls within the subject matter about which the Commission may make rules.

The more preferable draft rule falls within section 74 of the NGL as it relates to rules regulating the collection, use, disclosure, copying, recording, management and publication of information in relation to the covered gas industry.⁹³

Additionally, the more preferable draft rule falls within the matters set out in Schedule 1 to the NGL as it relates to:

- item 66, being the matters to be dealt with in the gas statement of opportunities and the obligations of AEMO in regard to its preparation, review, revision and publication; and
- item 68 being, in relation to the gas statement of opportunities, the kinds of information that must be given to AEMO for the gas statement of opportunities, who must give AEMO the information, the circumstances in which the information must be given, and the procedure for giving the information.

B.3 Commission's considerations

In assessing the rule change request the Commission considered:

- its powers under the NGL to make the draft rule
- the rule change request
- submissions received during first round consultation
- stakeholder input received at the public workshops held on 27 March 2025
- the Commission's analysis as to the ways in which the draft rule will or is likely to contribute to the achievement of the NGL
- the application of the draft rule to Western Australia

There is no relevant Ministerial Council on Energy (MCE) statement of policy principles for this rule change request.⁹⁴

⁹³ section 74(1)(a)(iii) of the NGL.

⁹⁴ Under s. 33 of the NEL and s. 73 of the NGL the AEMC must have regard to any relevant MCE statement of policy principles in making a rule. The MCE is referenced in the AEMC's governing legislation and is a legally enduring body comprising the Federal, State and Territory Ministers responsible for energy. On 1 July 2011, the MCE was amalgamated with the Ministerial Council on Mineral and Petroleum Resources. In December 2013, it became known as the Council of Australian Government (COAG) Energy Council. In May 2020, the Energy National Cabinet Reform Committee and the Energy Ministers' Meeting were established to replace the former COAG Energy Council.

The Commission may only make a rule that has effect with respect to an adoptive jurisdiction if satisfied that the proposed rule is compatible with the proper performance of AEMO's declared system functions.⁹⁵ The more preferable draft gas rule is compatible with AEMO's declared system functions because it supports the function of providing information and other services to facilitate decisions for economically efficient investment in the covered gas industry in the adoptive jurisdiction.⁹⁶

B.4 Making gas rules in Western Australia

Under the *National Gas Access (WA) Act 2009* (WA Gas Act), a modified version of the NGL was adopted, known as the National Gas Access (Western Australia) Law (WA Gas Law). Under the WA Gas Law, the NGR applying in Western Australia is version 1 of the NGR, as amended by rules made by the South Australian Minister for Energy⁹⁷ and rules made by the AEMC in accordance with its rule making powers under section 74 and 313 of the WA Gas Law.⁹⁸

The draft rule falls within the subject matters about which the Commission may make rules under the WA Gas Act, as it relates to rules regulating the collection, use, disclosure, copying, recording, management and publication of information in relation to natural gas services.⁹⁹

However, the draft rule amends Part 15D and Part 19 of the NGR that do not apply in the Western Australian version of the NGR.

Accordingly, the draft rule will not apply in Western Australia.

B.5 Civil penalty provisions and conduct provisions

The Commission cannot create new civil penalty provisions or conduct provisions. However, it may recommend to the Energy Ministers' Meeting or to the Victorian Minister for Energy, Environment and Climate Change that new or existing provisions of the NGR and under *National Gas (Victoria) (Declared System Provisions) Regulations* be classified as civil penalty provisions or conduct provisions.

The more preferable draft rule does not amend any clauses that are currently classified as civil penalty provisions or conduct provisions under the National Gas (South Australia) Regulations or the *National Gas (Victoria) (Declared System Provisions) Regulations*.

The Commission does not propose to recommend to the Energy Ministers' Meeting or to the Victorian Minister for Energy, Environment and Climate Change that any of the proposed amendments made by the more preferable draft rule be classified as civil penalty provisions or conduct provisions.

⁹⁵ Section 295(4) of the NGL.

⁹⁶ Section 91BA(1)(d) of the NGL.

⁹⁷ The Statutes Amendment (National Energy Laws) (Binding Rate of Return Instrument) Act 2018 and the National Gas (South Australia (Pipelines Access—Arbitration) Amendment Act 2017.

⁹⁸ See our website for further information at <https://www.aemc.gov.au/regulation/energy-rules/national-gas-rules/western-australia>.

⁹⁹ Section 74(1)(a)(iii) of the WA Gas Law.

Abbreviations and defined terms

AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
Commission	See AEMC
ECGS	East Coast Gas System
ECMC	Energy and Climate Change Ministerial Council
GS00	Gas Statement of Opportunities
NEM	National Electricity Market
NGL	National Gas Law
NGO	National Gas Objective
NGR	National Gas Rules
Proponent	The individual / organisation who submitted the rule change request to the Commission
RSA	Reliability and supply adequacy
VGPR	Victorian Gas Planning Report