

## Draft rule determination

# National Gas Amendment (ECGS projected assessment of system adequacy) Rule

Energy Senior Officials on behalf of the Energy Minister's Sub-Group  
The Honourable Lily D'Ambrosio MP, Minister for Climate Action, Minister for  
Energy & Resources and Minister for the State Electricity Commission Victoria

DETERMINATION

## Inquiries

Australian Energy Market Commission  
Level 15, 60 Castlereagh Street  
Sydney NSW 2000

E [aemc@aemc.gov.au](mailto:aemc@aemc.gov.au)

T (02) 8296 7800

### Reference:

## 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

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## Summary

- 1 The Commission has decided to make a more preferable draft rule (draft rule) to provide stakeholders with better information on the east coast gas system (ECGS). This draft rule is in response to the rule change request submitted by The Acting Chair of the Energy Senior Officials and the Honourable Lily D'Ambrosio MP, Minister for Climate Action, Minister for Energy & Resources and Minister for the State Electricity Commission Victoria.
- 2 The draft rule would introduce two new projected assessment of system adequacy (PASA) forecasts for the ECGS with 7-day and 12-month outlooks to empower:
  - participants to make better decisions around their supply and demand for gas, and facility maintenance
  - governments and policymakers to better target any policy interventions, as well as highlighting where the market is operating efficiently and no policy change is required.
- 3 The draft rule implements the objective of the proposed rule but differs on many of the smaller details to give effect to the changes, including introducing a new PASA objective and amending the information disclosure provisions. These changes are intended to minimise the costs to participants of implementing the changes, while also improving the quality and usefulness of the resulting forecasts.
- 4 The draft rule would be implemented in several stages, with the key dates being:
  - **5 March 2026** - AEMO ECGS and BB Procedure updates due which would set out the details of the PASA and the new and amended information disclosure requirements, respectively.
  - **1 March 2027** - new information disclosure obligations commence, AEMO internal PASA trial commences. This time would allow AEMO to validate that the PASA is producing the expected outputs and to resolve any initial issues, before the outputs are publicly available.
  - **3 May 2027** - PASA commences.
- 5 We are seeking feedback on our draft determination and rule by **28 August 2025**.

## Our draft rule would increase transparency in the ECGS to support the reliability and supply adequacy

- 6 We consider that our draft rule would increase transparency in, and improve the operation of the ECGS by providing better information on gas supply, demand, and infrastructure availability.
- 7 One key benefit is that it would allow the ECGS to operate more efficiently. Both existing participants as well as potential new entrants would be provided with an improved view of relevant factors, allowing them to make better decisions around:
  - gas demand
  - facility maintenance
  - gas supply
  - bilateral trading.
- 8 Improving information would likely lessen barriers to entry to the ECGS, and could have the flow on impact of increasing competition by driving trust in the sector, and thus new investment and innovation.
- 9 Another key benefit is that it would provide governments and policymakers with a better outlook on how the system is performing with respect to reliability and supply adequacy (RSA). The

improved information, including ST PASA threat notices, would induce more timely, efficient and market-led responses to RSA threats. It would also reduce the need for AEMO intervention, directions, and gas RSA conferences by empowering participants to better respond to threats in the first instance.

- 10 A modest uplift in the information collected from ECGS participants would be required to ensure the PASA is based on a complete, high-quality dataset. We recognise that this would increase the regulatory burden and costs for stakeholders across the gas industry, as well as implementation costs from AEMO to facilitate the information collection and provision. However, we consider that these costs would be outweighed by the benefits of providing this information as articulated above to the industry and other stakeholders. We have also sought to make sure that the proposed method for implementing this change seeks to minimise implementation costs. We are particularly interested in stakeholder views on the benefits we've identified, as well as the trade-off between benefits and costs. We will be working with AEMO to obtain more precise cost estimates to inform our final determination.
- 11 This rule change is one of four rule changes that together seek to extend the RSA Framework for the ECGS.<sup>1</sup> The intention for the extended framework is to equip AEMO and market participants with tools to respond to any threat of gas supply shortfalls.
- 12 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.<sup>2</sup>
- 13 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 two new PASA forecasts covering the ECGS

- 14 The draft rule would introduce a PASA that consists of two forecasts that cover the intra-year period in the ECGS, which AEMO would publish on its website:
  - short-term (ST) PASA with a daily publication frequency and 7-day horizon
  - medium-term (MT) PASA with a weekly publication frequency and 12-month horizon.
- 15 Each PASA would include a forecast of demand, supply, and infrastructure availability. The ST PASA would also include any identified threats to reliability and supply adequacy over the next week. The projected assessment would be based on information collected from participants and/or modelled by AEMO on market, non-market, storage, LNG export and GPG demand, and supply and infrastructure availability. Most of this information is already collected under the current rules. The outputs and methodology to produce both PASAs would be set out in AEMO's ECGS Procedures, which are developed in consultation with stakeholders. This would provide flexibility for the PASA to iterate over time. See section 3.1 for more information.
- 16 We note that the GPG forecast would be a challenging but key input of the ST PASA. The draft rule sets out that the approach to this would be developed by AEMO and set out in the ECGS Procedures. Due to its importance as an input and influence over the overall integrity of the PASA, we consider it would be helpful at this stage in the process to provide some indicative detail to stakeholders on the approach AEMO would take to forecasting GPG. As such, AEMO has

1 Also see: [ECGS Reliability standard and associated settings](#), [ECGS Supplier of last resort mechanism](#), and [ECGS notice of closure of gas infrastructure](#).

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

developed a note that sets out their potential approaches to forecasting GPG and their likely accuracy. We have published this note on the ECGS PASA [project page](#), alongside this draft determination, for stakeholder reference.

- 17 The PASA would generally be based on information that is already collected, both through the bulletin board (BB), and through the information uplift provided by the stage one RSA reforms.<sup>3</sup> In addition, we have identified a number of changes to the ECGS information disclosure regime that would be necessary to ensure the PASA is built upon a complete, high-quality dataset. The new or modified information disclosure requirements would be prescriptively set out in the rules to ensure that participants have clarity and predictability over the obligations that apply to them. These are outlined in detail in section 3.2.

## Stakeholder feedback helped shape our determination

- 18 Most stakeholders considered there was a case to implement an ECGS PASA, and that it would provide benefits to stakeholders across the sector.<sup>4</sup> However, stakeholders were also clear in their feedback that any costs imposed on them should be weighed against the resultant benefit and justified.<sup>5</sup>
- 19 Stakeholders were generally supportive of a principles-based PASA, with many noting the flexibility benefits this approach would provide.<sup>6</sup> By comparison, many stakeholders considered it was not appropriate to apply the same level of flexibility to the information disclosure obligations, where certainty of obligations and compliance were considered more important.<sup>7</sup> Stakeholder views on the proposed PASA are covered in detail in section 3.1.
- 20 There was a range of stakeholder views on the different proposed changes to the information disclosure regime. These included that there is already sufficient information available to AEMO to produce a PASA.<sup>8</sup> Stakeholder feedback on information collection is discussed in more detail in section 3.2.
- 21 Some stakeholders considered that the proposed timelines in the rule change request did not provide them with sufficient time for the uplift in process and systems that would be required for the PASA, noting that at least six months would be required.<sup>9</sup>
- 22 The Commission considered this feedback and has developed a draft rule that:
- Provides flexibility through a principles-based PASA
  - Provides certainty of obligations and compliance with a prescriptive, rules-based information disclosure framework
  - Includes a modest uplift in information disclosure, each component of which has been considered and weighed against the benefit
  - Provides participants with 12 months to develop their processes and systems for the PASA.

3 More information on the stage one RSA reforms can be found [here](#).

4 Submissions to the consultation paper: APGA, p.1; AFMA, p.1; Alinta, p.1; APLNG, p.1; CS Energy, p.1; Energy Australia, p.1; Hydro Tasmania, p.1; Squadron, p.1; Jemena, p.1; AGL, p.1.

5 Submissions to the consultation paper: APGA, p.1; APA, p.5; Energy Australia, pp.1-2; Hydro Tasmania, p.1; Jemena, p.3; Alinta, p.1; AFMA, p.1.

6 Submissions to the consultation paper: APGA, p.3; Hydro Tasmania, p.1; Squadron Energy, p.5; Energy Australia, p.1; AGL, p.4.

7 Submissions to the consultation paper: AEC, p.1; AGL, p.4; APGA, p.3; APLNG, p.2.

8 Submissions to the consultation paper: AEC, p.1; APLNG, p.2; Australian Energy Producers, p.1; Origin Energy, p.1.

9 Submissions to the consultation paper: APGA, p.5; APA, p.10; Energy Australia, pp.2-3; Jemena, pp.7-8.

## We assessed our draft rule against four assessment criteria using regulatory impact analysis and stakeholder feedback

- 23 The Commission has considered the NGO<sup>10</sup> and the issues raised in the rule change request and assessed the draft rule against the four assessment criteria outlined below. We gathered stakeholder feedback and undertook analysis in relation to these criteria.
- 24 The draft rule would contribute to achieving the NGO by:
- **Promoting safety, security, and reliability** – we consider a PASA would provide better information on gas demand, supply and infrastructure capacity to participants. We also consider it would support more timely, informed and efficient decision-making and market-led responses to reliability or supply adequacy threats, thus improving security and reliability outcomes.
  - **Aligning with principles of market efficiency** – we consider a PASA would increase transparency in the ECGS by providing all stakeholders with a more complete, consistent and reliable suite of information on reliability and adequacy of supply over the short and medium term. We also consider it would reduce information asymmetry and promote competition between larger stakeholders who can infer more information from the available information, and smaller stakeholders who may not be able to do this.
  - **Minimising and justifying the implementation burden** – we recognise that the PASA would increase the regulatory burden and increase costs for some stakeholders across the gas industry. We consider that these costs are outweighed by the benefits of providing the new information to the industry and other stakeholders as articulated above.
  - **Considering principles of good regulatory practice** – the PASA would be aligned with the broader program of reform on reliability and supply adequacy in the ECGS. It would also provide flexibility on the PASA outputs, while providing certainty and consistency on the inputs by prescribing them in the rules.

## The draft rule would commence before Winter 2027 with implementation costs recovered through participant fees

- 25 The draft rule would be implemented in several stages, with the key dates being:
- **9 October 2025** - Final determination published
  - **5 March 2026** - AEMO ECGS and BB Procedure updates due.
  - **1 March 2027** - New information disclosure obligations commence, AEMO internal PASA trial commences.
  - **3 May 2027** - PASA commences
- 26 This provides:
- AEMO with five months to undertake the consultation process and update the procedures
  - AEMO with 12 months to update its forecasting systems to prepare to deliver the PASA
  - participants with 12 months to update their processes and systems to be ready to submit any new data that is required from them
  - AEMO with 2 months to conduct an internal trial to ensure the PASA is producing the expected outputs, and to resolve any issues if not.

<sup>10</sup> Section 23 of the NGL.

- 27 The draft rule would be taken to be a ‘major gas project’.<sup>11</sup> This would entitle AEMO to recover the costs incurred in the implementation of the rule through participant fees. AEMO may consult on a range of fee structures and based on consultation, determine the final fee structure that will apply. The allocation of implementation costs is discussed in more detail in section 3.3.2.
- 28 AEMO notes in its PASA design report that the PASA implementation would be “a significant undertaking that will require substantial enhancements and uplifts to existing AEMO systems and processes”.<sup>12</sup> Noting AEMO’s view that the PASA represents a material uplift in its gas modelling and forecasting capability, we consider it necessary that cost recovery arrangements be put in place.
- 29 We acknowledge this would result in some cost being borne by ECGS participants, however, we consider that it would be outweighed by the key benefits of improved visibility of gas reliability and supply adequacy to participants, governments and policymakers. This is discussed earlier in this summary, and in more detail in section 2.3.3.

<sup>11</sup> Draft rule, transitional rule 5.

<sup>12</sup> AEMO, Developing a projected assessment of system adequacy (PASA) for the east coast gas system, p.33.

## 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 rule must be lodged with Commission by **28 August 2025**.

**How to make a submission:** Go to the Commission’s website, [www.aemc.gov.au](http://www.aemc.gov.au), find the “lodge a submission” function under the “Contact Us” tab, and select the project reference code GRC0080.<sup>13</sup>

Tips for making submissions on rule change requests are available on our website.<sup>14</sup>

**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).<sup>15</sup>

### 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.<sup>16</sup>

**Due date:** Requests for a hearing must be lodged with the Commission by 24 July 2025.

**How to request a hearing:** Go to the Commission’s website, [www.aemc.gov.au](http://www.aemc.gov.au), find the “lodge a submission” function under the “Contact Us” tab, and select the project reference code GRC0080. Specify in the comment field that you are requesting a hearing rather than making a submission.<sup>17</sup>

### For more information, you can contact us

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

<sup>13</sup> 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

<sup>14</sup> See: <https://www.aemc.gov.au/our-work/changing-energy-rules-unique-process/making-rule-change-request/our-work-3>

<sup>15</sup> Further information about publication of submissions and our privacy policy can be found here: <https://www.aemc.gov.au/contact-us/lodge-submission>

<sup>16</sup> Section 310(2) of the NGL.

<sup>17</sup> 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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Figure 3.1: Domestic daily gas demand in ECGS southern regions Jan 2023 - Dec 2024

Figure 3.2: Draft rule implementation timeline

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# 1 The Commission has made a draft determination

This draft determination is to make a more preferable draft rule in response to a rule change request submitted by The Acting Chair of the Energy Senior Officials and the Honourable Lily D'Ambrosio MP, Minister for Climate Action, Minister for Energy & Resources and Minister for the State Electricity Commission Victoria. The rule change seeks to improve information on reliability and supply adequacy in the ECGS. We are seeking feedback on this draft determination and rule.

## 1.1 Our draft rule would provide stakeholders with high quality, regularly updated information over the intra-year period

The draft rule would introduce a PASA that consists of two forecasts in the ECGS:

- ST PASA with a daily publication frequency and 7-day horizon
- MT PASA with a weekly publication frequency and 12-month horizon.

AEMO would publish both forecasts on its website, in a format that is accessible to all stakeholders, such as csv files.

AEMO would set out the process for determining regions for the PASA in their ECGS Procedures, with the same regions used across both forecasts. We note the range of stakeholder views on this matter and expect AEMO would account for feedback received to date on regional definition.<sup>18</sup> Regional definition is discussed in more detail in section 3.1.5.

Each PASA would include a forecast of demand, supply, and infrastructure availability. The ST PASA would also include any identified threats to reliability and supply adequacy over the next week. Each would be based on information collected from participants and/or modelled by AEMO on market, non-market, storage, LNG export and GPG demand, and supply and infrastructure availability, most of which is already collected under the current rules. The inputs and outputs of each PASA are covered in more detail in section 3.1.2. A minor uplift in information disclosure has been identified to ensure the PASA would be based on a complete, high-quality dataset. It is outlined in more detail in section 1.2 and section 3.2.

The minimum output requirements for each forecast have been prescribed to provide stakeholders with clarity over the core outputs of the PASA. The rules also provide scope for AEMO to produce additional outputs in consultation with stakeholders where AEMO considers they would support the achievement of the new 'PASA objective'. The PASA objective is outlined in section 3.1.1 and would set out what the PASA is, and the goal it is seeking to achieve. AEMO's development and administration of the PASA would be guided by this objective, providing AEMO and participants with clarity over the purpose and scope of the PASA.

The PASA would provide a significant uplift in the information on gas supply, demand, and infrastructure availability provided for the ECGS. This would provide participants with an improved view of these factors and allow them to make better decisions around gas demand, and supply, and infrastructure maintenance planning.

<sup>18</sup> Submissions to the consultation paper: APGA, p.4; Alinta, p.1; Jemena, p.3; AEC, p.1; Origin, p.2; Squadron, p.5; AGL, p.1.

## 1.2 The new forecasts would be built on existing information with a modest uplift in information disclosure

The PASA would be generally based on information that is already collected, both through the BB, and through the information uplift provided by the stage one RSA reforms.<sup>19</sup> In addition, we have identified a number of changes to the ECGS information disclosure regime that are necessary to ensure the PASA is produced from a complete, high-quality dataset.

The new or modified information disclosure requirements would be prescriptively set out in the rules to ensure that participants have clarity and predictability over the obligations that apply to them. Stakeholders were clear in their feedback to the consultation paper that this is necessary for information disclosure so that they had clarity and certainty over their obligations and the compliance requirements.<sup>20</sup> Maintaining a clear set of requirements for the information disclosure regime in the NGR would also provide regulatory certainty and consistency to the parties providing the information.

The new information disclosure obligations include:

- For the ST PASA:
  - Extending the STTM and DWGM bid and demand forecast horizons to 7 days, respectively
  - Requiring BB shippers and gas buyers to provide facility operators with good faith estimates of their use/gas demand over 7 days
- For the MT PASA:
  - Requiring BB facilities (excluding BB large user facilities) to submit daily capacity for every day, instead of only the periods when reductions are forecast to occur
  - Extending the LNG export facility demand forecast horizon to 12 months
  - Requiring BB pipeline operators to provide a medium term capacity outlook (MTCO) by pipeline segment
- The definition of daily capacity would also be improved to ensure it clearly accounts for resource and plant availability

These are outlined in detail in section 3.2.

The draft rule also removes several duplicate obligations from Part 27 of the rules, and moves several requirements from Part 27 to Part 18. The philosophy behind this move is to provide stakeholders with a single part of the rules that outlines their information disclosure obligations, rather than having these spread across two parts.

## 1.3 Stakeholder feedback on the costs and benefits of a PASA has shaped our determination

There would be some cost in developing and operating the PASA (to participants and AEMO), however, we consider they would be outweighed by the key benefits of improved information and transparency to participants, governments and policymakers. This is discussed further in section 2.3.

<sup>19</sup> More information on the stage one RSA reforms can be found [here](#).

<sup>20</sup> Submissions to the consultation paper: APA, p.9; APGA, p.2; APLNG, p.2; AEC, p.1; Jemena, p.4.

In responses to the consultation paper, most stakeholders considered there was a case to implement an ECGS PASA, and it would provide benefits to stakeholders across the sector.<sup>21</sup> However, stakeholders were also clear in their feedback that any costs imposed on them should be weighed against the resultant benefit and justified.<sup>22</sup>

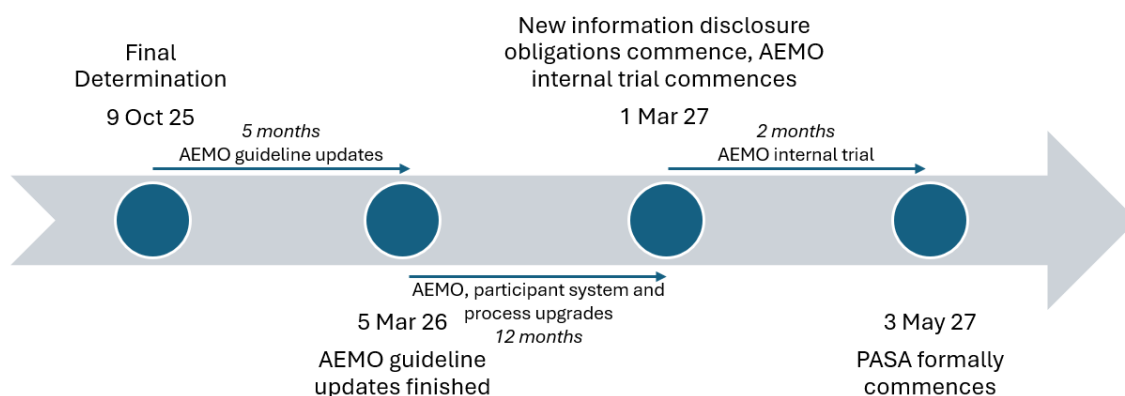
The costs we expect would arise from the draft rule are outlined in detail in section 2.3.3 and the rationale for each new obligation is outlined in section 3.2. In the changes to the information disclosure regime, care has been taken to minimise or reduce costs through streamlining of similar or redundant information disclosure requirements. In developing the draft rule we considered the necessity of each individual information disclosure provision, and consider the uplift that would be required to be necessary to ensure a robust and trustworthy PASA. We consider the costs involved in implementing the draft rule would be outweighed by the key benefits that it would achieve. We are interested in stakeholder feedback on this point.

## 1.4 The PASA would commence in time for Winter 2027

The draft rule would be implemented in several stages, with the key dates being:

- **9 October 2025** - Final determination published
- **5 March 2026** - AEMO ECGS and BB Procedure updates due
- **1 March 2027** - New information disclosure obligations commence, AEMO internal PASA trial commences
- **3 May 2027** - PASA commences.

**Figure 1.1: Draft rule implementation timeline**



This provides:

- AEMO with five months to undertake the consultation process and update the procedures
- AEMO with 12 months to update its forecasting systems to prepare to deliver the PASA
- Participants with 12 months to update their processes and systems to be ready to submit any new data that is required from them
- AEMO with two months to conduct an internal trial to ensure the PASA is producing the expected outputs, and to resolve any issues if not.

21 Submissions to the consultation paper: APGA, p.1; AFMA, p.1; Alinta, p.1; APLNG, p.1; CS Energy, p.1; Energy Australia, p.1; Hydro Tasmania, p.1; Squadron, p.1; Jemena, p.1; AGL, p.1.

22 Submissions to the consultation paper: APGA, p.1; APA, p.5; Energy Australia, pp.1-2; Hydro Tasmania, p.1; Jemena, p.3; Alinta, p.1; AFMA, p.1.

The implementation timeline is discussed in more detail in section 3.3.1.

## 1.5 AEMO would recover implementation costs through participant fees

The draft rule would be taken to be a ‘major gas project’.<sup>23</sup> This would entitle AEMO to recover the costs incurred in the implementation of the rule through participant fees.

AEMO notes in its PASA design report that the PASA implementation would be “a significant undertaking that will require substantial enhancements and uplifts to existing AEMO systems and processes”.<sup>24</sup> Noting AEMO’s view that the PASA represents a material uplift in its gas modelling and forecasting capability, we consider it necessary that cost recovery arrangements be put in place.

We acknowledge this would result in some cost being borne by ECGS participants, however, we consider that it would be outweighed by the key benefits of improved visibility of gas reliability and supply adequacy to participants, governments and policymakers. This trade-off is discussed in more detail in section 3.3.2.

## 1.6 The PASA fits within a broader landscape of reliability and supply adequacy reform in the ECGS

### 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.<sup>25</sup>

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

The *ECGS projected assessment of system adequacy* rule change is one of four rule changes that together seek to extend the reliability and supply adequacy (RSA) Framework for the ECGS.<sup>26</sup> The 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.<sup>27</sup> 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.<sup>28</sup>

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

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

<sup>23</sup> Draft rule, transitional rule 5.

<sup>24</sup> AEMO, Developing a projected assessment of system adequacy (PASA) for the east coast gas system, p.33.

<sup>25</sup> AEMC, A consumer-focused net zero energy system, September 2024, p 25-26.

<sup>26</sup> Also see: [ECGS Reliability standard and associated settings](#), [ECGS Supplier of last resort mechanism](#), and [ECGS notice of closure of gas infrastructure](#).

<sup>27</sup> For more details on Stage 1 RSA gas reforms, please see Chapter 3 of the AEMC’s [background paper](#).

<sup>28</sup> 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](#).

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.<sup>29</sup>

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

## 2 The PASA 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, principles of good regulatory practice and implementation considerations.

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.<sup>30</sup>

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

The NGO is:<sup>31</sup>

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.<sup>32</sup>

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.<sup>33</sup>

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.

<sup>30</sup> Section 291(1) of the NGL.

<sup>31</sup> Section 23 of the NGL.

<sup>32</sup> Section 72A(5) of the NGL.

<sup>33</sup> Section 296 of the NGL.



### 2.2.2 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 matter 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 parts 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 How we have applied the legal framework to our decision

The Commission must consider how to address the lack of a complete set of high-quality information on the adequacy of gas supply and transportation capability to meet demand in the ECGS over the intra-year period against the legal framework.

We identified the following criteria to assess whether the proposed rule change, no change to the rules (business-as-usual), or other viable, rule-based options are likely to better contribute to achieving the NGO:

- **Safety, security, and reliability** – we consider a PASA would provide better information on gas demand, supply and infrastructure capacity to participants. We also consider it would support more timely, informed and efficient decision-making and market-led responses to reliability or supply adequacy threats, thus improving security and reliability outcomes.
- **Principles of market efficiency** – we consider a PASA would provide better information on gas demand, supply and infrastructure capacity to participants. We also consider it would support more timely, informed and efficient decision-making and market-led responses to reliability or supply adequacy threats, thus improving security and reliability outcomes.
- **Implementation considerations** – we recognise that the PASA would increase the regulatory burden and increase costs for some stakeholders across the gas industry. We consider that these costs are outweighed by the key benefits of providing the new information to the industry and other stakeholders as discussed elsewhere in this determination.
- **Principles of good regulatory practice** – the PASA would be aligned with the broader program of reform on reliability and supply adequacy in the ECGS. It would also provide flexibility on the PASA outputs, while providing certainty and consistency on the inputs by prescribing them in the rules.

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 4.3 of the consultation paper. In submissions to the consultation paper, only APGA commented on the proposed assessment criteria, noting its support.<sup>34</sup> As such the proposed criteria have been retained to assess the draft determination.

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.

The draft rule is a more preferable rule, as we consider it would better contribute to the achievement of the energy objectives. It implements the objective of the proposed rule but differs on many of the smaller details to give effect to the changes, including introducing a new PASA

<sup>34</sup> APGA, submission to the draft determination, p.6.

objective and amending the information disclosure provisions. These changes are intended to minimise the costs to participants of implementing the changes, while also improving the quality and usefulness of the resulting forecasts.

### 2.3.1 The PASA would improve AEMO and facility operators' ability to manage and address reliability and supply adequacy threats

The draft rule would provide a significant uplift in the information on gas supply, demand, and infrastructure availability provided for the ECGS. This would provide participants with an improved view of these factors and allow them to make better decisions around:

- gas demand
- facility maintenance
- gas supply, including LNG procurement decisions
- bilateral trading

This is particularly important in the context of the forecast supply shortfalls from 2028 onwards in the ECGS outlined in AEMO's 2025 GSOO.<sup>35</sup> The improved information, including ST PASA threat notices, would induce more timely, efficient and market-led responses to reliability threats. It would also reduce the need for AEMO intervention, directions, and gas supply adequacy and reliability conferences. Many stakeholders considered this to be a key benefit of the reform in their responses to the consultation paper.<sup>36</sup>

The PASA would provide a clear view of the magnitude and the timing of forecast shortfalls across the operational (ST PASA) and short-term planning (MT PASA) timeframes, allowing participants to plan for and take action to address any threats in a timely manner, as they arise. Beyond this timeframe the GSOO and VGPR already play this role. Therefore, the introduction of the PASA would ensure there is a continuous view of reliability and supply adequacy in the ECGS across a 5-year horizon. Where the market does not respond adequately, the quantitative information provided by the PASA would also give AEMO the ability to provide more clarity to participants on when it does or would use its intervention powers. This was noted as a benefit by Jemena in its submission to the consultation paper.<sup>37</sup>

### 2.3.2 The PASA would empower participants, governments and policymakers to make better decisions by increasing transparency

The draft rule would introduce the publication of a broader suite of information on supply, demand and infrastructure capacity in the ECGS. It would also close the gap between the present and the GSOO/VGPR forecasts - which can currently be up to a year. This would increase transparency for all stakeholders, which would in turn bring several benefits:

- Participants would be empowered to make better decisions about their gas supply and demand, and infrastructure operation. This would result in greater efficiency across the ECGS, ultimately lowering costs for consumers.
- Governments and policymakers would be provided with a clearer, more up-to-date view of the ECGS. This would guide targeted policy intervention, as well as highlighting where the market is operating efficiently and no policy change is required.

<sup>35</sup> AEMO, 2025 Gas statement of opportunities, p.9.

<sup>36</sup> Submissions to the consultation paper: APGA, p.1; Energy Australia, p.1; Hydro Tasmania, p.1; Squadron Energy, p.1; AGL, p.1

<sup>37</sup> Jemena, submission to the consultation paper, p.1.

- New participants would be able to make better decisions about entry into the market as information asymmetry would be reduced between existing and new participants. This would promote greater competition in the ECGS.

### 2.3.3 We consider the benefits of the PASA would outweigh the cost of developing, administering and providing information for it

We are cognisant that the draft rule would incur costs to both:

- AEMO, for developing and administering the PASA, and
- to participants, for the process uplift and ongoing administrative burden of providing information to inform the PASA.

However, we consider that these costs are outweighed by the benefits outlined throughout section 2.3 and below. We have also sought to minimise the costs where possible.

We consider that the key benefits of the draft rule are:

- It would allow the ECGS to operate more efficiently by providing all stakeholders with better information to empower them to make better decisions, benefitting both established participants but also potential new entrants.
  - Established participants would gain a high-quality forecast that would include some inputs to which they currently do not have access, to complement their own internal forecasts.
  - Providing new entrants with a high-quality forecast would likely lessen barriers to entry to the ECGS. This would have the flow on effect of increasing competition by driving trust in the sector and thus new investment and innovation.
- It would provide governments and policymakers with a better outlook on how the system is performing with respect to reliability and supply adequacy. This would ensure future policy interventions can be minimised and as targeted as possible, as the PASA would highlight when and where issues are occurring.

We consider that the costs that would arise from the draft rule are those set out in Table 2.1, below. Noted in the 'Cost reductions' column are several instances where we have sought to minimise or reduce costs through streamlining of similar or redundant information disclosure requirements. In developing the draft rule we considered the necessity of each individual information disclosure provision, as well as the uplift that would be required to be necessary to ensure a robust and trustworthy PASA. The rationale for each new requirement is discussed in section 3.2.

We also anticipate that there may be some additional benefits from AEMO modernising the systems through which it collects and publishes information from participants. If this is the case, we consider that the draft rule could provide further benefits by improving participants experience engaging with these systems, and also potentially by reducing the costs of any future reforms that build upon this platform. We are seeking further information from AEMO on this point.

**Table 2.1: Expected costs of draft rule**

Party	Implementation costs	Ongoing costs	Cost reductions
AEMO	Amendments to BB Procedures	Incremental amendments to BB Procedures	
	Amendments to ECGS	Incremental	

Party	Implementation costs	Ongoing costs	Cost reductions
	Procedures	amendments to ECGS Procedures	
	Implementation of systems required to prepare inputs and prepare and publish outputs of the ST and MT PASA	Cost of operating and maintaining systems	
	Implementation of formal threat signalling system		
DWGM and STTM participants	Incremental costs of putting in place systems to provide additional bids/demand forecasts to AEMO for gas days D+3 to D+6	Incremental daily reporting costs	These additional costs are expected to be offset by the removal of the Part 27 requirement for retailers, BB large user facilities and LNG export facilities to provide AEMO with a rolling 7-day outlook for demand and where gas is being supplied from.
BB shippers and gas buyers	Incremental costs of putting systems and processes in place to provide the following, to the extent systems are not already in place: <ul style="list-style-type: none"> <li>BB facility operators: a daily good faith estimate of use of facility for days D to D+6</li> <li>producers: a daily good faith best estimate of demand for gas for gas days D to D+6</li> </ul>	Incremental daily reporting costs	
BB facilities	Incremental costs of making changes to existing BB reporting systems to comply with proposed changes to short and medium term capacity outlook reporting.	Incremental costs of complying with the proposed changes to the way in which short term and medium term capacity outlooks are reported.	
BB pipelines	Incremental costs of moving from reporting MTCO for each BB pipeline to each BB pipeline segment	Incremental ongoing costs of reporting MTCO on a pipeline segment basis	
LNG export projects		Incremental costs of complying with the move from monthly to higher resolution reporting on the forecast demand for gas for LNG exports and extending the	These additional costs would be offset to some extent by the removal of the obligation in Part 27 for LNG exporters to provide AEMO a rolling 7-day outlook for demand and where gas is being

Party	Implementation costs	Ongoing costs	Cost reductions
		outlook period for LNG project reporting from 6 months to 12 months.	supplied from.
BB large user facilities			Cost reductions by the removal of the obligation in Part 27 for BB large user facilities to provide AEMO a rolling 7-day outlook for demand and where gas is being supplied from.

Source: Adapted from Table 6.1, Rule change request from Energy Senior Officials on 21 January 2025: ECGS projected assessment of system adequacy, p.62.

Stakeholders were unanimous in their feedback to the consultation paper that new information disclosure requirements should be justified, and avoided where possible.<sup>38</sup> Some stakeholders were of the view that the information provided to AEMO under the existing disclosure regime was sufficient to support a PASA, and that no new requirements were necessary.<sup>39</sup> While we agree with this view in a broad sense, we consider that the minor changes to information disclosure that we have identified are necessary to ensure the PASA is built upon a complete and high-quality dataset to result in the benefits that we are seeking to achieve.

We are particularly interested in stakeholder views on the trade-off between benefits and costs as articulated above. Do stakeholders consider that the benefits we have articulated would eventuate under the draft rule? Would these be offset by the costs that would be associated with introducing these obligations? As noted, we are working with AEMO to understand more precisely what the cost estimates would be ahead of a final determination on this project. The process for how costs would be recovered is discussed further in section 3.3.2.

#### 2.3.4 The PASA fits within the broader RSA reform program in the ECGS.

In developing the PASA, we have considered principles of good regulatory practice. In particular, this includes ensuring the PASA fits within the broader RSA reform program in the ECGS, as well as other gas reforms. It also includes providing stakeholders with certainty over their obligations by maintaining the prescriptive information disclosure regime in the NGR.

We have developed the PASA to interact constructively with other reforms. This includes by providing a platform upon which a reliability standard could build on, while not prejudging that rule change process.<sup>40</sup> While the RSA reform program envisions a PASA and reliability standard that are complementary, we have developed a PASA that stands on its own and would still create value toward achieving the energy objectives.

We also note that the PASA could operate in conjunction with the notice of closure disclosure obligation which is the subject of a separate rule change.<sup>41</sup> Having PASA, and notice of closure disclosures, if made, would be complementary components in the ECGS information provision

38 Submissions to the consultation paper: APGA, p.1; APA, p.5; Energy Australia, pp.1-2; Hydro Tasmania, p.1; Jemena, p.3; Alinta, p.1; AFMA, p.1

39 Submissions to the consultation paper: AEC, p.1; APLNG, p.2; Squadron Energy, p.1; Australian Energy Producers, p.1; Origin, p.1.

40 For more information on the ECGS reliability standard and settings rule change, see the [project page](#).

41 For more information on the ECGS notice of closure rule change, see the [project page](#).

regime. While not duplicating the role of the PASA, it would enable the provision of better information to all ECGS stakeholders to support better, more efficient decision-making.

Beyond the reform program that is currently underway, the draft rule would also provide flexibility for the PASA to adapt to the future regulatory landscape in the ECGS. The principles-based nature of the PASA would enable the outputs and inputs of the forecast to be iterated as the ECGS and supporting frameworks change over time. This is discussed in more detail in section 3.1.

While the draft rule provides flexibility for the PASA report, it is prescriptive in the changes to the information disclosure regime. This would maintain the regime's rules-based, prescriptive nature, to ensure participants have clarity and predictability over their obligations and compliance measures. This is because any changes to the rules would occur via a rule change process, that typically includes two stages of stakeholder consultation, as well as AEMO consultation on the implementation. Whereas AEMO procedures, like those that would outline the PASA, may be updated with only one round of stakeholder consultation by AEMO.

### 3 How our rule would operate

The draft rule would introduce a principles-based PASA. AEMO would develop the specific details of this in consultation with stakeholders. This would include a:

- ST PASA with a daily publication frequency and 7-day horizon
- MT PASA with a weekly publication frequency and 12-month horizon.

AEMO's development and administration of the PASA would be guided by the PASA objective outlined in Box 2.

The draft rule would also include a modest uplift in the prescriptive, rules-based ECGS information disclosure regime. This would ensure accuracy and efficacy of a PASA based on a high quality, complete dataset. Maintaining a clear set of requirements for the information disclosure regime in the NGR would also provide regulatory certainty and consistency to the parties providing the information.

The substantive detail of the draft rule is set out below, with section 3.1 outlining how the PASA would operate, section 3.2 outlining the uplift in information disclosure, and section 3.3 outlining the implementation timeline and cost recovery.

#### 3.1 A principles-based PASA would provide flexibility for the PASA to iterate over time with stakeholder needs

##### **Box 1: The draft rule sets out a principles based PASA**

The draft rule includes the key inputs and outputs of the PASA but would give AEMO flexibility to determine how it prepares these and any other inputs and outputs in the ECGS procedures. It also sets out an ECGS PASA objective that would guide AEMO's development and administration of the PASA.

These two elements would work together to create flexibility for the specific details of the PASA to iterate over time with experience and as stakeholder needs change. AEMO would consult on the initial and future updates of the ECGS procedures for the PASA.

AEMO would be responsible for publishing a:

- ST PASA with a daily publication frequency and 7-day horizon
- MT PASA with a weekly publication frequency and 12-month horizon.

Both PASAs would be based on demand, supply, and infrastructure capability data and would provide forecasts of each to stakeholders. The ST PASA would also include actual or potential threats to the reliability and adequacy of supply over the next seven days.

##### **Stakeholders were supportive of a principles-based approach**

Most stakeholders noted their support for a principles-based approach to the PASA, with many noting the flexibility benefits this approach would provide.<sup>42</sup> By comparison, many stakeholders considered it was not appropriate to apply the same level of flexibility to the information disclosure obligations, where certainty of obligations and compliance was considered more important.<sup>43</sup>

<sup>42</sup> Submissions to the consultation paper: APGA, p.3; Hydro Tasmania, p.1; Squadron Energy, p.5; Energy Australia, p.1; AGL, p.4.

<sup>43</sup> Submissions to the consultation paper: APLNG, p.2; AEC, p.1.



### 3.1.1 A PASA objective would guide AEMO's development and administration of the PASA

#### Box 2: ECGS PASA objective

The ECGS PASA is a program of information collection, analysis, and disclosure of medium term and short term reliability and adequacy of supply prospects in the east coast gas system to inform decisions about supply, demand, and outages of plant and equipment used in the production, transportation and consumption of covered gases for periods up to 12 months in advance.

In developing, preparing, and administering the PASA, AEMO would be required to consider the PASA objective outlined in the box above.<sup>44</sup> This would provide scope for the PASA to evolve over time with stakeholder needs, while providing AEMO and stakeholders with clarity on the overarching objective of the framework.

In responses to the consultation paper, only the AEC commented on the provided strawperson ECGS PASA objective that we set out, and from which the draft rule's ECGS PASA is based. It considered that the objective captured "what is required in simple and clear terms".<sup>45</sup> Additionally, AGL noted that the rule change request's proposed rule drafting included a PASA 'purpose' clause that would be redundant if the ECGS PASA objective was included.<sup>46</sup> The PASA 'purpose' clause has not been included in the draft rule, as we agree with AGL and consider it would be duplicative to the PASA objective. We selected the PASA objective over the purpose clause as we consider the objective would be more broadly applicable. It would also provide some consistency between the ECGS and NEM PASA objectives.

### 3.1.2 Two forecasts would be published by AEMO

The draft rule would require AEMO to develop and publish two PASA forecasts:

- Short Term (ST) PASA<sup>47</sup>
- Medium Term (MT) PASA<sup>48</sup>

As their names suggest, the ST PASA would cover the near term, from gas day D to D+6, while the MT PASA would cover an extended horizon out to 12 months, from gas week W+1 to W+51.

The draft rule would provide AEMO with discretion on the format and location in which the PASA reports would be published. We expect AEMO would publish the reports on its website – for example on the BB— in a format that a broad range of stakeholders can engage with, such as in csv files as is done for the equivalent provisions in the NEM.<sup>49</sup>

The minimum output requirements for each forecast have been prescribed to provide stakeholders with clarity over the core outputs of the PASA, while the rules provide scope for AEMO to produce additional outputs where it considers they would support the achievement of the PASA objective. We consider the core outputs are the minimum requirements for a quality and useful PASA, but acknowledge additional outputs may be iteratively added over time.

The specific details of each of these forecasts are set out below.

<sup>44</sup> The PASA objective is defined in the draft rule, rule 683(2).

<sup>45</sup> AEC, submission to the consultation paper, p.1.

<sup>46</sup> AGL, submission to the draft determination, pp.4-5.

<sup>47</sup> Draft rule, rule 686.

<sup>48</sup> Draft rule, rule 685.

<sup>49</sup> The NEM ST and MT PASA outputs are published [here](#).



### The short term PASA would be published daily over a 7-day horizon

The ST PASA would be published daily and cover the period of 7-days into the future (that is, it would cover gas days D to D+6). We consider a seven-day horizon to be appropriate as it aligns with the horizon for the data that is already collected for the short term capacity outlook (STCO), BB forecast and nominated facility use, as well as the NEM ST PASA. This would provide consistency for data collection and reporting, and minimise the cost of implementing a new obligation.

In submissions to the consultation paper, AGL, APGA and Origin all noted their support for a seven-day ST PASA horizon, while no other stakeholders noted a different preference.<sup>50</sup> AFMA considered that updating the ST PASA at an intra-day frequency would better support the gas financial market.<sup>51</sup> However, we note that the majority of the inputs to the ST PASA (outside the DWGM) are only updated daily, and as such we consider that updating the ST PASA more frequently would provide minimal additional value, at a greater cost. Additionally, AEMO may choose to update the ST PASA if there are changes which it considers to be significant.<sup>52</sup>

### Inputs

The draft rule would permit AEMO to have regard to any relevant information it collects under the NGR and NER in its preparation of the ST PASA.<sup>53</sup> We expect this would include:<sup>54</sup>

- **market demand** - from STTM and DWGM bids and demand forecasts
- **non-market, storage and LNG export demand** - from nominated and forecast use of BB pipelines and BB storage facilities
- **GPG demand** - an AEMO forecast generated using data from across the ECGS and NEM. This is discussed in more detail in section 3.1.4
- **supply** - nominated and forecast use of BB supply facilities and BB pipelines
- **infrastructure capacity** - STCO information for BB infrastructure facilities, linepack capacity adequacy indicators, pipeline segment daily capacity information, and linepack information.

### Outputs

The draft rule would require AEMO to produce a 7-day forecast for the ECGS and each ECGS region of:<sup>55</sup>

- the demand for covered gas, including the assumed level of GPG demand
- the aggregate capacity of BB supply facilities, including any anticipated reductions in capacity
- the capacity of BB transportation facilities including any anticipated reductions in capacity
- actual or potential risks or threats to the reliability or adequacy of the supply of covered gas on a gas day
- any other information specified in the ECGS procedures.

<sup>50</sup> Submissions to the consultation paper: AGL, p.2; APGA, p.4; Origin, p.1.

<sup>51</sup> AFMA, Submission to the consultation paper, pp.1-2.

<sup>52</sup> Draft rule, rule 686(3)

<sup>53</sup> See section 91FD of the NGL and section 53D of the NEL.

<sup>54</sup> Several of these inputs are based on changes to existing information disclosure requirements. These changes are discussed in detail in section 3.2.

<sup>55</sup> Draft rule, rule 686(2).

### ***Threat signalling***

Under the draft rule, AEMO would be required to publish actual or potential risks or threats to the reliability or adequacy of the supply of gas in the ST PASA.<sup>56</sup> AEMO would set out the process and any applicable thresholds to identifying threats or risks in the ECGS Procedures, providing transparency to stakeholders on how these are identified. We expect this would be an extension of, and integrate with, AEMO's existing threat signalling obligations under rule 695 of the NGR.

Including threats and risks in the ST PASA report would support stakeholders' own analysis around their gas supply and demand decision-making. This would ensure that any reliability and adequacy of supply threats can be addressed in a timely manner by the market with minimal intervention.

In submissions to the consultation paper, Squadron Energy noted its support for the PASA including threat notices, while AGL considered that a similar approach should be taken in the ST PASA to the reliability standard assessment proposed for the MT PASA, noting that a consistent approach to threats across both forecasts is preferable.<sup>57</sup> We note that an ECGS reliability standard is being considered separately in another rule change process that is progressing on a longer timeframe due to the complexity of the issues.<sup>58</sup>

### **The medium term PASA would be published weekly over a 12-month horizon**

The MT PASA would be published weekly and cover the period of 12-months into the future (that is, it would cover gas weeks W to W+51).<sup>59</sup> We consider a 12-month horizon to be appropriate as it would bridge the gap between the ST PASA and the GSOO, as well as requiring minimal changes to the existing ECGS information disclosure framework.

In submissions to the consultation paper, AGL noted its support for a 12-month MT PASA horizon.<sup>60</sup> Origin, by comparison considered that a 6-month horizon may be preferable as it would require fewer changes to the information disclosure framework.<sup>61</sup> While a 12-month horizon requires minor additions to the information disclosure framework, compared to 6-months, we consider this would be offset by the value of providing a continuous forecast of information from gas day D out to five years into the future, discussed in section 2.3.3. This would be accomplished by the draft rule, across the ST PASA, MT PASA, GSOO and VGPR.

### ***Inputs***

The draft rule permits AEMO to have regard to any relevant information it collects under the NGR and NER in its preparation of the MT PASA.<sup>62</sup> We expect this would include:<sup>63</sup>

- **Demand**
  - AEMO developed models for residential, small to medium enterprise, C&I user and GPG demand, in similar manner to GSOO
  - Daily capacity and maintenance information from the MTCO for LNG exporters
  - Demand forecasts submitted by LNG exporters

56 Draft rule, rule 686(3)(e).

57 Submissions to the draft determination: Squadron Energy, p.1; AGL pp.2-3.

58 For more information on the ECGS reliability standard and settings rule change process see the [project page](#).

59 Draft rule, rule 685(2).

60 AGL, Submission to the consultation paper, p.2.

61 Origin, Submission to the consultation paper, pp.1-2.

62 See section 91FD of the NGL and section 53D of the NEL.

63 Several of these inputs are based on changes to existing information disclosure requirements. These changes are discussed in detail in section 3.2.

- Maintenance information for BB large user facilities.
- **Supply** - daily capacity and maintenance information from the MTCO
- **Infrastructure capacity** - daily capacity and maintenance information from the MTCO

### Outputs

The draft rule requires AEMO to produce a 12-month forecast for the ECGS and each ECGS region of:<sup>64</sup>

- the demand for covered gas, including the assumed level of GPG demand
- the aggregate capacity of BB supply facilities, including any anticipated reductions in capacity
- the capacity of BB transportation facilities, including any anticipated reductions in capacity
- any other information specified in the ECGS procedures.

### 3.1.3 The detail would be developed by AEMO in consultation with stakeholders

The substantive detail of the PASA, would be set out by AEMO in the ECGS Procedures. This would include the:<sup>65</sup>

- methods AEMO will use to produce the demand, supply, and infrastructure forecasts
- process for AEMO to determine ECGS regions for the PASA
- processes and methodologies to be used when preparing the ECGS PASA
- outputs to be published
- manner and form in which the outputs will be published (including aggregation)
- timetable for publication of the PASA

The ECGS Procedures may also set out any other additional outputs AEMO considers necessary to promote the PASA objective.

We consider AEMO would be best placed to develop the specific detail of the PASA. Setting it out in the ECGS Procedures would allow the detail to iteratively evolve over time with stakeholder feedback, without the need for additional rule change processes.

Stakeholders would be provided with the opportunity to provide input on the requisite updates to the ECGS Procedures resulting from the draft rule. AEMO is required to follow the 'Ordinary process for making procedures' set out in rule 135EE when it updates the ECGS Procedures. This requires AEMO to:

- publish a notice setting out the proposed procedures together with an impact and implementation report
- invite stakeholder submissions on or before a date at least 20 business days after the notice is published
- publish a decision within 20 business days after the closing date for submissions that sets out the final procedures

In submissions to the consultation paper, both APLNG and Origin considered the 15 business day consultation period of the 'standard consultative procedure' may not provide stakeholders with sufficient time to evaluate and respond to material changes.<sup>66</sup> We note that the process required to be followed by AEMO under the draft rule allows for an additional week of consultation, and that

<sup>64</sup> Draft rule, rule 685(2).

<sup>65</sup> Draft rule, rule 684.

<sup>66</sup> Submissions to the consultation paper: APLNG, p.2; Origin, p.1.

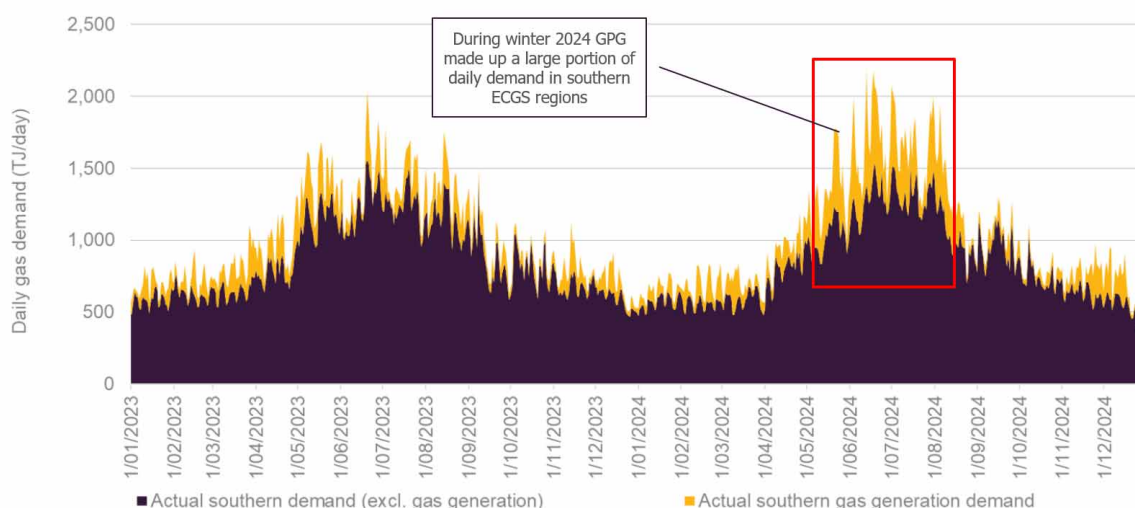
the rules only stipulate the minimum period of consultation. We expect that AEMO would extend the timeframe for submissions if necessary to address matters of sufficient complexity.

### 3.1.4 GPG forecasting is an important but challenging part of the PASA

As the rule change request notes, a forecast of GPG demand is one of the key inputs to both the short and medium term PASAs.<sup>67</sup> The gas demand figures for 2023-24 included in AEMO's 2025 GSOO indicated that, on some winter days, GPG represented about a third of daily gas demand in the southern ECGS. This is shown in Figure 3.1 below. The GPG's proportion of peak day daily gas demand is forecast to increase in the coming years with continuing electrification forecast to occur.

**Figure 3.1: Domestic daily gas demand in ECGS southern regions Jan 2023 - Dec 2024**

**Figure 20 Actual domestic daily gas demand in southern regions from January 2023 to December 2024, showing seasonality and peakiness (TJ)**



Source: AEMO, 2025 Gas statement of opportunities, p.35

We consider it is appropriate for AEMO to have discretion on its approach to GPG forecasting, as opposed to prescriptive, rules-based requirements. This view was echoed by Alinta in its response to the consultation paper.<sup>68</sup> However, due to its importance as an input and influence over the overall integrity of the PASA, we consider it would be helpful at this stage in the process to provide some indicative detail on the approach AEMO would take to forecasting GPG. As such, AEMO has developed a note that sets potential approaches to forecasting GPG and their likely accuracy. We have published this note on the ECGS PASA [project page](#), alongside this draft determination, for stakeholder reference.

In its PASA design report, AEMO noted that it was very difficult to accurately forecast GPG demand, even with additional, potentially burdensome information disclosure requirements on GPG operators. Instead, AEMO considered that a probabilistic approach with sensitivities to allow stakeholders to test the impact of different factors was more appropriate.<sup>69</sup> AEMO outlines two potential approaches in its note and is seeking stakeholder input on its proposal. Stakeholders

<sup>67</sup> Rule change request from Energy Senior Officials on 21 January 2025: ECGS projected assessment of system adequacy, pp.34-35.

<sup>68</sup> Alinta, Submission to the consultation paper, p.1.

<sup>69</sup> AEMO, Developing a projected assessment of system adequacy (PASA) for the east coast gas system, p.24.

can include their feedback on the note in their submissions to this draft determination, being clear which feedback relates to this determination and which relates to the note.

### 3.1.5 AEMO would have discretion over region definition

The draft rule would provide AEMO with discretion to determine the regions used for the PASA.<sup>70</sup> AEMO would be required to set out the process for determining regions in the ECGS procedures, in consultation with stakeholders. The same regions would be used for both the ST and MT PASA forecasts.

This would provide the flexibility for regions to adapt to changes in the topology of the ECGS, and stakeholder needs.

Stakeholders provided a diverse range of views in response to the consultation paper:<sup>71</sup>

- APGA, Alinta and Jemena were supportive of a North / South regional division, with Alinta and Jemena noting the simplicity of this approach.
- AEC, Origin and Squadron considered pipeline-linked regions to be more appropriate, with Origin and Squadron noting this reflects the physical supply and demand dynamics in the ECGS.
- AGL considered each jurisdiction should have a corresponding region, to avoid excessive aggregation.

We expect that AEMO would account for feedback that has been received to date in its approach to defining regions for the PASA.

## 3.2 The PASA would require a minor uplift in information disclosure

### Box 3: The PASA would be supported by some changes to the ECGS information disclosure regime

The new or modified information disclosure obligations would include:

- For the ST PASA:
  - Extending the STTM and DWGM bid/demand forecast horizons to 7 days
  - Requiring BB shippers and gas buyers to provide facility operators with good faith estimates of their use/gas demand over 7 days
- For the MT PASA:
  - Requiring BB facilities (excluding BB large user facilities) to submit daily capacity for every day, instead of only the periods when reductions are forecast to occur
  - Extending the LNG export facility demand forecast horizon to 12 months
  - Requiring BB pipeline operators to provide an MTCO by pipeline segment
- The definition of daily capacity would also be improved to ensure it accounts for underlying resource and plant availability

For the PASA itself to be robust and accurate, it must be based on a complete and reliable dataset. To achieve that, the draft rule provides for a number of improvements to the information

<sup>70</sup> Draft rule, rule 683(5)-(6).

<sup>71</sup> Submissions to the consultation paper: APGA, p.4; Alinta, p.1; Jemena, p.3; AEC, p.1; Origin, p.2; Squadron, p.5; AGL, p.1.

disclosure regime in the ECGS, to ensure that the information provided to AEMO is accurate, and that there is a complete dataset across gas facilities.

Stakeholders were clear in response to the consultation paper that they considered information disclosure obligations were appropriate to be prescriptively defined in the NER.<sup>72</sup> They consider this would provide confidence and certainty on information disclosure and compliance obligations. We agree that it is desirable for the information disclosure framework to be prescribed in the rules, and as such all information disclosure requirements introduced or modified by the draft rule are rules based.

The new or modified obligations are outlined in detail below.

### 3.2.1 ST PASA

#### **The STTM and DWGM bid and demand horizons would be extended to 7 days, respectively**

The draft rule would require participants in the STTM and DWGM to submit their intentions over a 7-day horizon, compared to the current 3-day horizon.<sup>73</sup> In the DWGM, participants would only be required to submit their demand forecasts over seven days, with the bid horizon remaining unchanged. We are seeking stakeholder feedback on recommending the DWGM provision as a tier one civil penalty provision for greater enforceability and consistency with the Decision Matrix and Concept Table and similar provisions for the STTM. This is discussed in more detail in appendix B.5.

In the STTM, by comparison, participants would be required to submit their bids seven days in advance, as there is no provision for demand forecasts to be submitted.

This would provide AEMO with the required coverage of demand in the DWGM and STTM to inform a 7-day ST PASA.

Under the draft rule, STTM participants would be expected to bid their intentions seven days into the future. However, it would not preclude participants updating their bids in the 7-day window where their original intention to nominate any facility/service use changes.

In responses to the consultation paper, stakeholders who commented on this part of the proposal were supportive.<sup>74</sup>

#### **BB shippers and gas buyers would be required to provide facility operators with good faith estimates of facility use over next 7 days**

The draft rule would require BB shippers and BB gas buyers to provide facility operators with good faith estimates of their use of facilities and gas demand over the next 7 days, respectively.<sup>75</sup>

Facility operators would then be required to have regard to this information in data they submit to AEMO for the PASA.<sup>76</sup> This provision would make the existing rule 687 redundant, and as such the draft rule would remove rule 687.

To ensure compliance with the draft obligations, we are recommending this provision of information from BB shippers and BB gas buyers be subject to Tier 2 civil penalties. In line with the decision matrix for tiering classification of civil penalty provisions, we consider compliance from

<sup>72</sup> Submissions to the consultation paper: AEC, p.1; AGL, p.4; APGA, p.3; APLNG, p.2

<sup>73</sup> Draft rule, rule 211(1) for the DWGM and rule 410(2) for the STTM.

<sup>74</sup> Submissions to the consultation paper: AEC, p.1; APGA, p.4.

<sup>75</sup> Draft rule, rule 185B.

<sup>76</sup> Draft rule, rules 182(2), 183(1A), 183(2A), 184(1A), 184A(1A) and 185(1A).

BB shippers and BB gas buyers is necessary to ensure efficient Market Administration, resulting in a Tier 2 penalty recommendation.<sup>77</sup> More detailed information on the proposed civil penalty provisions can be found in appendix B.5.

This would increase the quality of data on the demand and supply of gas at facilities covered by the BB. At present, data obtained from these facilities is of low quality as it is based on the facility operators' estimates, rather than shippers and gas buyers intent to use these facilities. Creating a formal obligation would ensure the data is of sufficient quality to inform an ST PASA.

The draft rule includes a new definition of BB gas buyers to capture entities that have contractual right for supply from a production facility or gas import facility.<sup>78</sup> This is necessary to capture these entities, as they are not captured by the existing definition of gas shippers, who buy services and not physical gas.

Stakeholders were supportive of this provision, with APA noting it would address the risk of inaccuracy under the current arrangements.<sup>79</sup> APGA and APA note that shippers should face penalties for failure to submit or late submissions, otherwise shippers have no incentive to comply, retaining the issues with the status quo.<sup>80</sup>

### 3.2.2 MT PASA

#### **A positive obligation on BB facilities to submit MTCO daily capacity for every day of the period**

The draft rule would adjust the MTCO requirement to a positive obligation where facilities must submit a daily capacity for every day of the outlook period.<sup>81</sup> The existing arrangements only require an MTCO to be submitted for periods when daily capacity will be reduced, with a start and end date, and magnitude of reduction in capacity submitted. This resulted in a dataset that was difficult to interact with due to the format of the data, a point that Jemena noted in its submission to the consultation paper.<sup>82</sup>

The draft rule would require facility operators to submit the following information for each day of the 24-month MTCO period:<sup>83</sup>

- a good faith estimate of the daily capacity of the BB facility for the medium term capacity outlook period
- description of the matters expected to affect the daily capacity of the BB facility, which may include maintenance work
- where the daily capacity is reduced due to maintenance work, over what period of time the facility is capable of being recalled into operation if AEMO were to direct that the facility, and the expected capacity of the facility if it is to be recalled into operation.

We consider that facility operators should not be undertaking excessive modelling to produce their daily capacity figures when no event is impacting the capacity. These concerns were raised by Jemena, noting that significant cost would be incurred if it were to develop a dynamic pipeline capacity modelling capability.<sup>84</sup> In this instance, the daily capacity should just reflect the facility's

<sup>77</sup> The decision matrix for tiering classification of civil penalty provisions under the National Energy Laws can be found [here](#).

<sup>78</sup> See draft rule 141, definition of "BB gas buyer".

<sup>79</sup> Submissions to the consultation paper: APA, pp.9-10; APGA, p.4; Jemena, p.4.

<sup>80</sup> Submissions to the consultation paper: APGA, p.5; APA, pp.9-10.

<sup>81</sup> Draft rule, rule 181(3)(a).

<sup>82</sup> Jemena, submission to the consultation paper, p.6.

<sup>83</sup> Draft rule, rule 181(3).

<sup>84</sup> Jemena, submission to the consultation paper, p.5.



capability under normal operating conditions. Where a facility has a materially different typical capability at different times of year, for example for summer and winter, we expect this would be reflected in the MTCO.

The revision of this obligation represents a streamlining of the provision of medium term information on daily capacity (currently provided over five months) and maintenance work (currently provided over 24 months, under rule 181 and rule 689) into a single, consistent obligation. This would improve the clarity of the rules and minimise the reporting burden on participants.

***BB large user facilities would only be required to submit periods affected by maintenance work***

Under the draft rule, BB large user facilities would be exempted from the positive obligation. They would instead only be required to report periods the facility is expected to be affected by maintenance work over the MTCO period, and the resulting expected reduction in daily capacity.<sup>85</sup> This requirement exists in the current rules in Part 27, but it would be moved to Part 18 under the draft rule. AEMO would be exempted from publishing this information on the BB.<sup>86</sup>

**LNG export facilities would report daily gas demand over 12-month horizon**

The draft rule would extend the existing requirement for LNG export projects to report their gas demand from six to 12 months into the future.<sup>87</sup> This would be in the form of weekly submissions at a daily resolution, in line with the MTCO and other MT PASA obligations.<sup>88</sup> The draft rule would also provide the flexibility for AEMO to accept this data at a lower resolution and calculate the daily demand using averaging or similar, where it considers it appropriate.<sup>89</sup> We expect this could include averaging across weeks, for example. This would minimise the reporting burden where a low variance in demand is expected across the averaging period.

We acknowledge the commercial sensitivity of unaggregated LNG export demand data, and as such the draft rule requires the demand outlook to be aggregated across all three ECGS LNG export projects before publication.<sup>90</sup> We consider this provides sufficient anonymisation of the data.

In submissions to the consultation paper, APGA and Alinta were supportive of extending the LNG export project demand forecast horizon.<sup>91</sup> AGL considered that the rule should require the publication of more granular information on LNG export demand, noting the significant impact of their demand on the ECGS.<sup>92</sup> APLNG and Origin, by comparison, both consider that sufficient information is already provided by LNG exporters to inform a PASA.<sup>93</sup>

We consider that the new obligation does not represent a significant uplift in the information provided by LNG export facilities. We also consider that it is necessary to ensure data is provided by these projects for the duration of the MT PASA outlook, noting the significant magnitude of their demand in the context of the ECGS. Additionally, we consider that the data required for the

85 Draft rule, rule 181A.

86 Draft rule, rule 194(2)(ab).

87 The existing requirement is set out in rule 688. The draft rule moves this updated obligation into rule 185A.

88 Draft rule, rule 185A(4).

89 Draft rule, rule 185A(2).

90 Draft rule, rule 194(1)(c).

91 Submissions to the consultation paper: APGA, p.5; Alinta, p.1.

92 AGL, submission to the consultation paper, p.1.

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



PASA should be readily available to LNG export projects, noting the heavily contracted nature of the industry.

### **BB pipeline operators would report an MTCO for each BB pipeline segment**

The draft rule would require BB pipeline operators to report an MTCO for each pipeline segment,<sup>94</sup> in line with the new MTCO requirements outlined in section 3.2.2. This would involve reporting the daily capacity and other associated information for each pipeline segment over a 24-month outlook.

AEMO would define the approach to pipeline segmentation in the BB Procedures.<sup>95</sup> We expect it would adopt a similar approach to that which is taken for reporting BB pipeline nameplate ratings, set out at 6.1(g) of the BB Procedures. This stipulates that a segment of the pipeline is each part that has a different capacity. This definition was also adopted for the ECGS Procedures. APA and APGA indicated support for this approach in their submissions to the consultation paper.<sup>96</sup>

We note the feedback received to the consultation paper from pipeline operators that excessive granularity in pipeline segment definition would incur additional cost without a commensurate benefit.<sup>97</sup> We consider the BB approach outlined above provides an appropriate level of granularity to maximise benefit while minimising cost.

### **3.2.3 The definition of daily capacity would be improved to more accurately reflect the facility's capability**

The draft rule amends the definition of daily capacity for production facilities to ensure that submitted information reflects underlying resource availability, as well as plant capacity.<sup>98</sup> This ensures that the capacity of plant serving a field of a lower capacity does not over-represent the volume of gas that can be realistically injected into pipelines by the facility. Similarly, it ensures any pipeline injection capability limitations that are known to the facility operator are reflected in the daily capacity. The draft rule would provide clarity that cushion gas should be excluded in reporting the quantity of gas that a storage facility can hold on a gas day. This would ensure consistency in the daily capacity data provided by different facilities.

Several stakeholders noted that the definition of daily capacity should remain in the NGR, as opposed to AEMO procedures, as proposed by the rule change request.<sup>99</sup> The draft rule would maintain that the definition of daily capacity is in the NGR, noting the obligations and penalties that relate to the definition make certainty necessary.

### **3.2.4 Centralising information disclosure requirements in Part 18 requires a number of consequential amendments**

In developing the draft rule, we have taken the general approach of including new information disclosure requirements and consolidating relevant existing information disclosure requirements in Part 18 of the NGR. This is to make it easy for existing and new participants to understand which obligations apply to them. Part 18 has a general philosophy of 'information in, information out'. This is not desirable in some instances where information may be commercially sensitive,

<sup>94</sup> Draft rule, rule 181(1A).

<sup>95</sup> Draft rule, rule 135EA(3)(c1).

<sup>96</sup> Submissions to the consultation paper: APA, pp.7-9; APGA p.4.

<sup>97</sup> Submissions to the consultation paper: APA, pp.6-7; Jemena p.5.

<sup>98</sup> Draft rule, rule 141(1), paragraphs (a),(c) and (g) of the definition of "daily capacity".

<sup>99</sup> Submissions to the consultation paper: APA, p.9; APGA, p.2; Jemena, p.4

and as such the draft rule would exempt AEMO from publishing some information on the BB, unless anonymised through aggregation.

Consolidating existing information disclosure requirements into Part 18 of the NGR results in a number of consequential amendments being required in Part 18. These do not represent changes in policy. This includes:

- moving the relevant matters currently contained in the ECGS Procedures into the BB Procedures<sup>100</sup>
- incorporating provisions allowing for registration by the responsible reporting entity for an LNG export project<sup>101</sup>
- allowing for exemptions or requiring the use of a default or standing value<sup>102</sup>
- ensuring BB shippers and BB gas buyers provide information as required under Part 18 and are subject to the BB information standard<sup>103</sup>
- moving the existing obligation on a BB reporting entity for a BB facility other than a BB large user facility or an LNG processing facility to notify AEMO of an event or circumstances relating to the BB facility which the entity becomes aware that affects, will affect or may affect the reliability of gas supply, including equipment failure.<sup>104</sup>

As a result, a number of definitions in Part 27 are removed as they are no longer required. The general provisions applying to the existing disclosure obligations in Part 27 have also been moved or incorporated into Part 18 and therefore, they have also been deleted from Part 27.

The draft rule also exempts AEMO from publishing several categories of information that are collected under Part 18.<sup>105</sup>

- BB pipeline segment short term capacity outlooks
- BB pipeline linepack outlooks
- Maintenance outlooks for BB large user facilities
- 12-month demand outlooks for LNG export projects

These obligations were all adapted from Part 27 obligations and would be exempted from publication under the current rules. We have not carried across their categorisation as 'protected information' however, as we consider there may be instances where disclosing information collected under these obligations would be necessary to support reliability and supply adequacy.

### 3.3 Implementation would occur in stages with costs recovered via participant fees

#### Box 4: Implementation - key dates

The draft rule would be implemented in several stages, with the key dates being:

- **9 October 2025** - Final determination published

<sup>100</sup> Draft rule, rule 135EA(c1) and (c2).

<sup>101</sup> Draft rule, rule 150A. See also other changes to Part 18, Division 3 in the draft rule.

<sup>102</sup> Draft rule, rule 164A.

<sup>103</sup> Draft rule, rule 165-166.

<sup>104</sup> Draft rule, rule 190H.

<sup>105</sup> Draft rule, rule 194(2)(aa)-(ab)

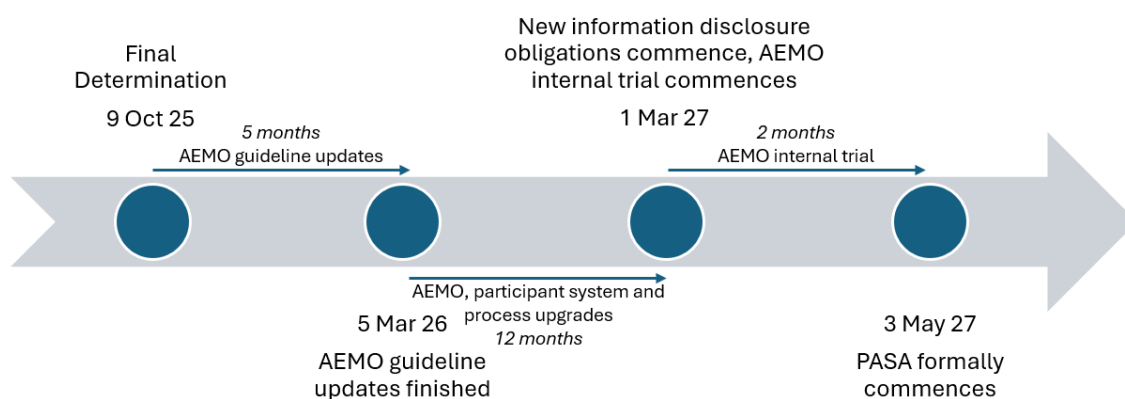
- **5 March 2026** - AEMO ECGS and BB Procedure updates due which would set out the details of the PASA and the new and amended information disclosure requirements, respectively.
- **1 March 2027** - New information disclosure obligations commence, AEMO internal PASA trial commences. This time would allow AEMO to validate that the PASA is producing the expected outputs and to resolve any initial issues, before the outputs are publicly available.
- **3 May 2027** - PASA commences

### 3.3.1 A staged implementation would provide time for procedure updates and system upgrades

The draft rule sets out a staged implementation process that allows time for AEMO update its ECGS and BB procedures, while ensuring the PASA is finalised and operating before Winter 2027.

The key dates are set out in the timeline below.

**Figure 3.2: Draft rule implementation timeline**



This provides:

- AEMO with five months to undertake the consultation process and update the procedures
- AEMO with 12 months to update its forecasting systems to prepare to deliver the PASA
- Participants with 12 months to update their processes and systems to be ready to submit any new data that is required from them
- AEMO with 2 months to conduct an internal trial to ensure the PASA is producing the expected outputs, and to resolve any issues if not.

We consider this timeline provides all parties adequate time for systems uplift and preparation for the new PASA, while also ensuring the PASA is operational by Winter 2027. This would ensure participants and AEMO have the necessary tools available to address any risks to reliability and supply adequacy through Winter 2027.

In response to the consultation paper, many stakeholders noted that they would need sufficient time for any uplift in process and systems.<sup>106</sup> Jemena and APA consider that at least six months would be required for the expected uplift in systems and procedures for their pipeline businesses. We agree that sufficient time must be provided to industry and AEMO to prepare for the new PASA,

<sup>106</sup> Submissions to the consultation paper: APGA, p.5; APA, p.10; Energy Australia, pp.2-3; Jemena, pp.7-8.

and as such the draft rule allows 12 months from the update of the procedures for the key changes.

Origin noted that the AEMC should consider aligning the timeline with the ECGS reliability standard and settings rule change request, however, we consider this is not necessary as the final outcome of that rule change process would be able to build upon the PASA that this rule would develop, if required.<sup>107</sup> While the RSA reform program envisions a PASA and reliability standard that are complementary, we have developed a PASA that stands on its own and would still create value toward achieving the energy objectives.

### 3.3.2 The implementation costs of the draft rule would be recovered through participant fees

The draft rule would be taken to be a ‘major gas project’.<sup>108</sup> This would entitle AEMO to recover the costs incurred in the implementation of the rule through participant fees.

In its PASA design report AEMO considers “the PASA implementation to be a significant undertaking that will require substantial enhancements and uplifts to existing AEMO systems and processes. A dedicated program of work will be required, with significant time and resources including technology development, testing, and change management efforts. AEMO will develop detailed cost estimates as part of the implementation planning process, but initial indications are that this will be a material expense reflecting the scale and complexity of the changes required”. We will be working with AEMO to understand the cost estimates that would be associated with implementing this draft rule. This will be a key input in our decision-making for our final determination.

Noting AEMO’s view that the PASA represents a material uplift in its gas modelling and forecasting capability, we consider it necessary that cost recovery arrangements be put in place. These cost recovery arrangements are modelled after those that were put in place to fund the changes required by the Stage 1 RSA package.

AEMO regularly reviews, consults on and publishes the structure for gas participant fees.<sup>109</sup> By defining the implementation of the draft rule as a major gas project,<sup>110</sup> AEMO may fund and recover the costs of the project through additional participant fees using the expedited consultative procedures. When determining the structure of participant fees, AEMO must have regard to the NGO and a range of principles including that the fee structure should not discriminate unreasonably against a category or categories of Registered participants.<sup>111</sup> AEMO may consult on a range of fee structures and based on consultation, AEMO may determine the final fee structure that will apply. That is to say that AEMO could recover more or less costs from different classes of participant if it considers this would not discriminate unreasonably against any category of participants and would progress the achievement of the NGO.

We acknowledge the draft rule would result in some cost being borne by ECGS participants, however, we consider it would be outweighed by the key benefits of improved visibility of gas reliability and supply adequacy. We are particularly interested in stakeholder views on this trade-off. This is discussed in more detail in section 2.3.

<sup>107</sup> Origin, submission to the consultation paper, p.3.

<sup>108</sup> Draft rule, transitional rule 5.

<sup>109</sup> NGR, rule 135CA

<sup>110</sup> Draft rule, transitional rule 5

<sup>111</sup> NGR, rule 135CA(4)

## 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.<sup>112</sup>

### A.1 Energy Senior Officials and the Victorian Energy Minister proposed a rule to introduce two PASA forecasts for the ECGS

The rule change request proposes a rule to introduce a:

- ST PASA with a daily publication frequency and 7-day horizon
- MT PASA with a weekly publication frequency and 12-month horizon.

The draft rule proposed that AEMO be required to outline the substantive detail and methodology for producing the ST PASA in the ECGS procedures. This includes the:

- method AEMO will use to prepare the demand forecasts and other key inputs to the ST and MT PASA
- regions to be used for the ST and MT PASA
- processes and methodologies to be used by AEMO when preparing the ST and MT PASA
- outputs to be published as part of the ST and MT PASA, over and above those specified in the NGR
- manner and form in which ST and MT PASA outputs will be published (including how this information will be aggregated or disaggregated) and the timetable for publication.

The proposal also includes a modest uplift in the prescriptive, rules-based information disclosure regime. This is to ensure accuracy and efficacy of a PASA based on a high quality, complete dataset.

For more information about the proposed solution see Section 3 of the [consultation paper](#).

### A.2 The proposal addressed a lack of high quality information in the ECGS over the intra-year period

The proponent considers that the ECGS lacks a complete set of high quality information on gas supply and demand over the intra-year period. This is reducing stakeholders' ability to make timely, informed and efficient decisions about how to plan for and manage any emerging reliability and supply adequacy threats. In the context of a tightening supply-demand balance in the ECGS, the

<sup>112</sup> See our website for more information on the rule change process: <https://www.aemc.gov.au/our-work/changing-energy-rules>

proponent considers it is imperative that stakeholders are empowered to make the best decisions with respect to their supply and demand for gas.

The proponent considers that an inability of participants to respond to threats to reliability and supply adequacy in the ECGS would have a range of adverse effects on both the system and gas consumers. This could include:<sup>113</sup>

- increased costs due to inefficient decision making with respect to supply and demand
- increased volatility when threats arise
- greater reliance on AEMO intervention to resolve threats, which may be less efficient and potentially less effective.

The proponent notes that while the stage one RSA reforms increased the scope of information market participants are required to report to AEMO relating to gas supply and demand in the ECGS, there is not a systematic intra-year assessment of ECGS reliability or adequacy of supply.<sup>114</sup> It also notes that while AEMO can publish updates if new information comes to light, neither the GSOO nor the VGPR are designed to be updated with the regularity required to provide participants the information they would require to have a good understanding of the intra-year reliability or adequacy of supply and to respond accordingly. The request considers that while the BB may be suited to publishing such data at a higher frequency, there are a number of limitations with the data collected for the BB that mean it cannot be relied upon for this purpose.

For more information about the stated problem, see Section 2 of the [consultation paper](#).

### A.3 It proposed improving participants' ability to respond to reliability threats in the ECGS by improving the information over the 12-month period

The proponent considers that by improving the information available to participants over the operational to short-term planning horizon, they would be empowered to make better decisions around:

- gas demand
- facility maintenance
- gas supply
- bilateral trading.

They note that the improved information would induce more timely, efficient and market-led responses to reliability and supply adequacy threats.<sup>115</sup> They also note it would reduce the need for AEMO intervention, directions, and gas RSA conferences, thus allowing for more efficient operation of the ECGS.

### A.4 The process to date

On 10 April 2025, the Commission published a notice advising of the initiation of the rule making process and consultation in respect of the rule change request.<sup>116</sup> A consultation paper identifying specific issues for consultation was also published. Submissions closed on 8 May 2025. The Commission received 15 submissions as part of the first round of consultation. The Commission

<sup>113</sup> Rule change request from Energy Senior Officials on 21 January 2025: ECGS projected assessment of system adequacy, p.23.

<sup>114</sup> Rule change request from Energy Senior Officials on 21 January 2025: ECGS projected assessment of system adequacy, p.18.

<sup>115</sup> Rule change request from Energy Senior Officials on 21 January 2025: ECGS projected assessment of system adequacy, pp.58-59.

<sup>116</sup> This notice was published under section 303 of the NGL.

considered all issues raised by stakeholders in submissions. Issues raised in submissions are discussed and responded to throughout this draft rule determination.

## 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<sup>117</sup> and AEMO's east coast gas system reliability and supply adequacy functions.<sup>118</sup>

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

- item 55ZD, being the payment of fees and charges under section 91E to enable AEMO to recover costs relating to its east coast gas system reliability and supply adequacy functions; and
- item 55ZE, being the provision of information to AEMO in relation to its east coast gas system reliability and supply adequacy functions, who must give AEMO the information, the circumstances in which the information may or must be given and the way in which the information may or must be given, including a way set out in the Procedures.

### 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
- the Commission's analysis as to the ways in which the draft rule will or is likely to contribute to the achievement of the NGO
- the application of the draft rule to Western Australia

<sup>117</sup> Section 74(1)(a)(iii) of the NGL.

<sup>118</sup> Section 74(1)(a)(ac) of the NGL.



There is no relevant Ministerial Council on Energy (MCE) statement of policy principles for this rule change request.<sup>119</sup>

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.<sup>120</sup> The more preferable draft gas rule is compatible with AEMO's declared system functions because they would not affect those functions.

## 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 Energy<sup>121</sup> and rules made by the AEMC in accordance with its rule making powers under section 74 and 313 of the WA Gas Law.<sup>122</sup>

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.<sup>123</sup>

However, the draft rule amends Parts 15B, 18, 19, 20 and 27 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 that new or existing provisions of the NGR be classified as civil penalty provisions or conduct provisions.

### B.5.1 Civil penalty provisions

The NGL sets out a three-tier penalty structure for civil penalty provisions in the NGL and the NGR.<sup>124</sup> A Decision Matrix and Concepts Table,<sup>125</sup> approved by Energy Ministers, provides a decision-making framework that the Commission applies, in consultation with the AER, when assessing whether to recommend that provisions of the NGR should be classified as civil penalty provisions, and if so, under which tier.

We are seeking feedback on recommending rule 211 as a tier 1 civil penalty provision. This rule requires Market Participants in the DWGM to submit demand forecasts and bids to AEMO by 11:00 am on the day that is 2 days before the day on which a gas day commences. The draft rule

<sup>119</sup> 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.

<sup>120</sup> Section 295(4) of the NGL.

<sup>121</sup> 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.

<sup>122</sup> See our website for further information at <https://www.aemc.gov.au/regulation/energy-rules/national-gas-rules/western-australia>.

<sup>123</sup> Section 74 and Schedule 1 of the WA Gas Law specify the subject matter for rules that can be made by the AEMC in Western Australia.

<sup>124</sup> Further information is available at <https://www.aemc.gov.au/regulation/energy-rules/civil-penalty-tools>

<sup>125</sup> The Decision Matrix and Concepts Table is available at: [https://web.archive.org/au/awa/20210603104757mp\\_/https://energyministers.gov.au/sites/prod.energycouncil/files/publications/documents/Final%20-%20Civil%20Penalties%20Decision%20Matrix%20and%20Concepts%20Table\\_Jan%202021.pdf](https://web.archive.org/au/awa/20210603104757mp_/https://energyministers.gov.au/sites/prod.energycouncil/files/publications/documents/Final%20-%20Civil%20Penalties%20Decision%20Matrix%20and%20Concepts%20Table_Jan%202021.pdf)

proposes to amend the requirement for demand forecasts to be provided 7 days before the day on which a gas day commences in new subrule (1A).

It is currently classified as a conduct provision (see Table B.5), however, we consider there could be merit in also classifying it as a tier 1 civil penalty provision. Compliance with this rule is necessary to ensure the security and safety of the gas supply. This corresponds with the Civil Penalties Decision Matrix tier 1 classification. This would also be consistent with rule 410, a similar rule applying in the STTM.

Additionally, and subject to consulting with the AER and the Victorian Department of Energy, Environment and Climate Action (DEECA), the Commission proposes to make the following civil penalty recommendations to the Energy Ministers' Meeting in relation to the final rule.

**Table B.1: New civil penalty recommendations**

Rule	Description of rule	Proposed classification	Reason for classification
New rule 150A(1)	This subrule requires the owner, operator or controller of an LNG export project to apply to AEMO to register as the responsible reporting entity for the LNG export project.	Tier 1	Compliance with this subrule is necessary to ensure the security and safety of the gas supply. This corresponds with the Civil Penalties Decision Matrix tier 1 classification. It also corresponds with the civil penalty tiering of the existing subrule in Part 27.
New 165(1A)	This subrule requires a BB shipper or BB gas buyer required under Part 18 or the BB Procedures to give information or data to do so in accordance with the BB information standard.	Tier 1	Compliance with this subrule is necessary to ensure the security and safety of the gas supply. This corresponds with the Civil Penalties Decision Matrix tier 1 classification. It also corresponds with the civil penalty tiering of rule 165(1), a similar provision.
New rule 185B	<p>This rule requires:</p> <ul style="list-style-type: none"> <li>BB shippers to provide BB facility operators with good faith estimates of nominations and forecasts of its use of the BB facility over the next 7 days</li> <li>BB gas buyers to provide BB facility operators with good faith estimates of nominations and forecasts of its supply over the next 7 days</li> </ul>	Tier 2	A breach of this subrule involves inadequate record keeping or administrative processes. This corresponds with the Civil Penalties Decision Matrix tier 2 classification.

See the [Civil Penalties Decision Matrix and Concepts Table](#) for more information on civil penalty tiering.

Where the draft rule amends provisions that are currently classified as civil penalty provisions, the Commission does not propose to recommend to the Energy Ministers' Meeting any changes to the classification of those provisions.

**Table B.2: Amended civil penalty recommendations**

Rule	Description of rule	Current classification	Reason to retain classification
Rule 165(1)	This subrule requires a BB	Tier 1	As this amendment extends the

Rule	Description of rule	Current classification	Reason to retain classification
	reporting entity required by Part 18 or the BB Procedures to give information or data to AEMO to do so in accordance with the BB information standard. The draft rule extends this obligation to other entities required under Part 18 to give information or data to AEMO.		obligation to other entities required to provide information under the draft rule and does not change the nature of the obligation, no change to the civil penalty tiering is recommended.
Rule 165(4)	This subrule requires a BB reporting entity required by Part 18 or the BB Procedures to update information or data provided to AEMO to do so in accordance with the BB information standard. The draft rule extends this obligation to other entities required under Part 18 to update information or data provided to AEMO.	Tier 1	As this amendment extends the obligation to other entities required to update information under the draft rule and does not change the nature of the obligation, no change to the civil penalty tiering is recommended.

See the [Civil Penalties Decision Matrix and Concepts Table](#) for more information on civil penalty tiering.

The Commission proposes to recommend to the Energy Ministers' Meeting that the classifications for a number of provisions are removed given the relevant rules have been deleted and therefore the current classifications are redundant.

**Table B.3: Deleted civil penalty recommendations**

Rule	Description of rule	Current classification	Reason
Rule 684(1)	This subrule requires a relevant entity required by Division 2 of Part 27 or the ECGS Procedures to give information to AEMO to do so in accordance with the ECGS information standard.	Tier 1	The disclosure obligations in Division 2 of Part 27 are deleted under the draft rule and as such, this civil penalty is no longer required.
Rule 684(4)	This subrule requires a relevant entity required by Division 2 of Part 27 or the	Tier 1	The disclosure obligations in Division 2 of Part 27 are deleted under the draft rule and as such, this civil penalty is no longer required.

Rule	Description of rule	Current classification	Reason
	ECGS Procedures to update information provided to AEMO to do so each time facts or circumstances arise that require the information to be updated and within any applicable timeframe specified in the ECGS Procedures.		
Rule 684(5)	This subrule requires a relevant entity required by Division 2 of Part 27 or the ECGS Procedures to update information provided to AEMO to do so in accordance with the ECGS information standard.	Tier 1	The disclosure obligations in Division 2 of Part 27 are deleted under the draft rule and as such, this civil penalty is no longer required.
Rule 715(1)	This rule requires the owner, operator or controller of an LNG export project to apply to AEMO to register as the responsible reporting entity for the LNG export project.	Tier 1	The requirement to register as the responsible reporting entity for the LNG export project is moved to Part 18 and as such, this civil penalty is no longer required.

See the [Civil Penalties Decision Matrix and Concepts Table](#) for more information on civil penalty tiering.

### B.5.2 Conduct provisions

Where the draft rule amends provisions that are currently classified as conduct provisions, the Commission does not propose to recommend to the Energy Ministers' Meeting any changes to the classification of those provisions.

**Table B.4: Amended conduct provision recommendations**

Rule	Description of rule	Reason to retain conduct provision
Rule 165(1)	This subrule requires a BB reporting entity required by Part 18 or the BB Procedures to give information or data to AEMO to do so in accordance with the BB information standard. The draft rule proposes to extend this obligation to other entities required under Part 18 to give information or data to AEMO.	As this amendment extends the obligation to other entities required to provide information under the draft rule and does not change the nature of the obligation, no change to the conduct provision is recommended.

The Commission may also recommend to the Victorian Minister for Energy, Environment and Climate Change that new or existing provisions of the NGR be classified as civil penalty provisions or conduct provisions under the *National Gas (Victoria) (Declared System Provisions) Regulations*.

The more preferable draft rule amends rule 211 of the NGR. This rule is currently classified as a conduct provision under clause 4 and Schedule 2 of the *National Gas (Victoria) (Declared System Provisions) Regulations*. The Commission considers that this amended rule should continue to be classified as a conduct provision. The Commission is seeking feedback on also classifying this provision as a civil penalty provision.

**Table B.5: Amended conduct provision recommendations - Victoria**

Rule	Description of rule	Reason to retain conduct provision
Rule 211	This rule requires Market Participants to submit demand forecasts and bids to AEMO by 11:00 am on the day that is 2 days before the day on which a gas day commences. The draft rule proposes to amend the requirement for demand forecasts to be provided 7 days before the day on which a gas day commences in new subrule (1A).	As this amendment changes the timeframe in which Market Participants are to submit demand forecasts and does not change the nature of the obligation, no change to the conduct provision is recommended.

## Abbreviations and defined terms

AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
BB	Bulletin Board
Commission	See AEMC
DEECA	Department of Energy, Environment and Climate Action
DWGM	Declared Wholesale Gas Market
ECGS	East Coast Gas System
ECMC	Energy and Climate Change Ministerial Council
GPG	Gas Powered Generation
LNG	Liquified Natural Gas
MTCO	Medium Term Capacity Outlook
MT PASA	Medium Term Projected Assessment of System Adequacy
NER	National Electricity Rules
NGL	National Gas Law
NGO	National Gas Objective
NGR	National Gas Rules
NT Act	<i>National Electricity (Northern Territory) (National Uniform Legislation) Act 2015</i>
PASA	Projected Assessment of System Adequacy
Proponent	The individual / organisation who submitted the rule change request to the Commission
RSA	Reliability and Supply Adequacy
STCO	Short Term Capacity Outlook
ST PASA	Short Term Projected Assessment of System Adequacy
STTM	Short Term Trading Market