

7 August 2025

Ms Anna Collyer
Chair
Level 15, 60 Castlereagh Street
Sydney NSW 2000

By online submission

Dear Ms Collyer,

ECGS Notice of closure for gas infrastructure (GRC0074)

AEMO welcomes the opportunity to respond to the AEMC's Draft Determination to require AEMO to report the closure of gas infrastructure. We support the intent of the draft rules to improve transparency and facilitate timely decision-making to manage emerging reliability risks in the East Coast Gas System (ECGS). We raise the following issues for consideration.

Scope of reporting obligation

AEMO notes the AEMC position that the notice of closure reporting obligation applies at the facility level and does not extend to subcomponents. AEMO notes that there are scenarios where the closure of subcomponents could materially impact the ECGS if closed. For example, the permanent closure of gas processing units could significantly reduce the capacity of the Longford production facility. While we expect to gain visibility of such subcomponent closures through the two-year medium-term capacity outlook (MTCO), the proposed notice of closure obligation would likely provide earlier warning. If subcomponents were to be included into the reporting obligation, consideration would need to be given to the appropriate materiality threshold and what constitutes a subcomponent.

The AEMC's draft determination also concluded that the draft rule should not apply to distribution networks noting that their closure would likely be triggered by a loss of small and residential customers due to electrification, or as a downstream consequence of decisions made by those facilities proposed to be captured in this obligation. However, we note that the draft determination does apply the notice of closure reporting obligation to blended gas distribution systems, and seek clarity on this inconsistency.

Need for transitional arrangements

The draft rule introduces obligations under Rules 135KE(4A), (4B) and (4C) for GSOO reporting entities to notify AEMO of reportable closure decisions either through the GSOO survey or where new information arises after the survey response, as soon as practicable. While Rule 135KE(4A) would create a clear obligation to provide closure information through the survey, that obligation will only apply to GSOO reporting entities once the rule comes into effect. As the 2026 GSOO survey is expected to be conducted before the rules come into effect, GSOO reporting entities may not have

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a clear obligation to respond to the survey questions on closure information. To ensure that AEMO can still obtain the necessary information for the 2026 GSOO, we recommend that the AEMC consider including a transitional provision clarifying that reportable closure decisions made before the rules commence, and prior to or during the 2026 GSOO survey process, should still be reported to AEMO under proposed Rule 135KE(4C), even after finalisation of the 2026 GSOO survey process. This should include a clear statement that any closure information not previously provided in response to the survey must be provided to AEMO once the rule comes into effect. Additionally, AEMO queries whether the proposed Rule 135KE(4B) is needed given Rule 135KF(e) already allows the GSOO Procedures to set out requirements for updating a GSOO survey response and the correction of errors in a GSOO survey response. The proposed Rule 135KE(4B) introduces a new, proactive requirement to report closure decisions or updates to closure dates, even where the original survey response was complete at the time. AEMO suggests that the AEMC consider including a transitional rule that allows the GSOO Procedures to be amended to reflect this proposed rule.

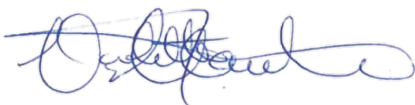
Clarifications

AEMO also raises the following clarifications to the proposed rules for the AEMC's consideration:

- Rule 135KB(1A)(c) refers to the inclusion of information about reportable closure decisions in the GSOO. AEMO recommends clarifying the timing requirement. For instance, if closure information is received in the weeks leading up to the GSOO or VGPR publication, the obligation to include that information may present practical challenges for the publication processes.
- Rule 135KDA requires AEMO to publish a notice of a reportable closure decision on its website "in addition to any supplement to the GSOO". AEMO recommends clarifying that a supplement is not always required. The current wording may imply that a supplement must be published in every case which does not align with policy intent.
- Rule 135KE(4A)(b) refers to "the intended date for cessation of supply". Given the range of infrastructure to which this rule will apply to, including facilities beyond production, AEMO suggests using terminology consistent with the definition of a "reportable closure decision", which refers to cessation of supply of *covered gas services*.
- Rule 324(2)(f) requires Registered Participants to report any reportable closure decisions for facilities for which they are the BB reporting entity. The rule may need to be clarified to ensure responsibility aligns appropriately. For example, AEMO is the BB reporting entity for the Declared Transmission System, rather than APA who is the facility owner.

AEMO looks forward to continuing work with the AEMC on the ECGS notice of closure rule change. Should you wish to discuss any aspects of this submission please contact Paddy Costigan, Group Manager, Gas Reform at Paddy.Costigan@aemo.com.au.

Yours sincerely,



Violette Mouchaileh

Executive General Manager, Policy and Corporate Affairs