

26 August 2025

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

By online submission

Dear Ms Collyer,

ECGS Projected Assessment of System Adequacy (GRC0080)

AEMO welcomes the opportunity to respond to the AEMC's draft determination and draft rule on the east coast gas system (ECGS) Projected Assessment of System Adequacy (PASA).

General stage 2 ECGS Reliability and Supply Adequacy framework feedback

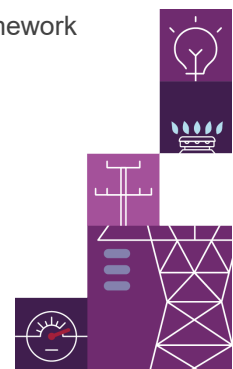
In reviewing Part 27 of the National Gas Rules (the Rules), AEMO has identified some minor drafting clarifications that would improve clarity in rule 680. This rule currently defines "direction or trading function" as a single term, however these are two distinct functions and should be defined separately, noting that "trading function" is already separately defined in rule 680. Similarly, the definition of "direction or trading notice" would be clearer if split into two definitions to reflect their distinct purposes. These changes would reduce ambiguity and improve ease of interpretation for market participants and AEMO.

AEMO considers that the definition of *daily capacity* for storage facilities should reflect any limitations that may impact injections, withdrawals, and the quantity of gas the storage facility can hold. This approach would ensure consistency with the draft amendments to the definition of daily capacity for production facilities. Relatedly, AEMO considers that Rule 168 in relation to nameplate rating information should also clarify that a BB reporting entity for a BB storage facility should report nameplate capacity, accounting for any limitations.

AEMO proposes that the definition of *daily capacity* in the Bulletin Board (BB) Rules be transferred to the BB Procedures, where it would be defined by AEMO. This proposal would allow flexibility to refine the definition as market conditions evolve and reduce the risk of outdated or overly prescriptive drafting being locked in the Rules. The definition would also be subject to consultation, enabling market participants to contribute to its formulation and amendments.

AEMO exemptions and restrictions on publication of information

AEMO supports the additional exemption framework in draft rule 164A given it operates differently to existing exemptions in rules 164 and 190. However, draft rule 164A should not apply to rule 181A (maintenance work affecting BB large user facilities) given this information is not sensitive and most GPG facilities already publish equivalent outage information through the NEM MT PASA which is made public. Draft rule 164A should also not apply to rule 178(1A) on capacity outlooks, as these are already reported at the pipeline segment level under the existing BB arrangements and therefore appropriately covered by the current exemption framework in rule 164.



AEMO is concerned some proposed provisions in the draft rule would unintentionally reduce transparency and remove information currently available to the market. AEMO considers the following restrictions are inconsistent with existing transparency measures under Part 18:

- Draft rule 194(2)(aa) would restrict AEMO from publishing LNG import facility MTCO information which is inconsistent with the existing Part 18 framework given LNG import facilities are treated like other BB facilities and are required to provide MTCO data, which is publishable in an unaggregated form.
- Draft rule 194(2)(ab) as it relates to rule 178(1A) STCO by pipeline segment would restrict publication of pipeline segment data that is already publishable by AEMO on the Gas Bulletin Board (GBB)¹.

For rules 194(1)(c) and 194(2)(ab) as they apply to rule 185A (12-month LNG export outlook), the final rule should expressly permit aggregated publication including when one-or more LNG export projects are on maintenance or outage². With only three LNG export projects currently reporting on the BB, restricting publication at these times would create visibility gaps in the publication of an MT PASA.

Implementation timeline

AEMO recommends extending the Procedures finalisation date to 30 March 2026 and deferring PASA go-live to 27 October 2027. Commencing in May 2027 presents risks, primarily related to the digital delivery of this project given the complexity of developing GPG forecasts and implementing a fit-for-purpose methodology in the given timeframe. AEMO has committed to a significant schedule of technology delivery particularly in the second half of 2026. Given the proposed go-live of 1 March 2027 for information disclosure obligations to commence, this would require AEMO to have the system to be developed by the end of 2026 for participant testing to commence. Additionally, the current delivery would overlap with GSOO and VGPR delivery timings, noting this will impact AEMO business teams involved in the (MT) PASA development work.

An ECGS PASA go-live during winter of 2027 has significant delivery risk as any issues would coincide with the winter peak period, potentially impacting market confidence and responsiveness to the new ECGS PASA. There is likely to be limited benefit of delivering the PASA just prior to winter as it is unlikely participants will have the ability to respond to short term indications of a shortfall as contract positions will generally be locked in well ahead of winter. Therefore, AEMO recommends delaying the new information disclosure obligations from 1 March 2027 to 1 September 2027 and the PASA commencement from 3 May 2027 to 27 October 2027. This still results in some industry testing occurring in late winter of 2027 but positions a full go-live in the shoulder period. This would then allow the MT PASA to start serving as an early warning system ahead of winter 2028. This adjustment reflects the complexity of PASA system development, the need for robust industry consultation and AEMO's 2026 release landscape congestion as noted in our ECGS PASA High-Level Implementation Assessment (HLIA) report³. The revised timeline would provide more time for integration, testing and refinement, reducing implementation risk. A transitional rule will also be required to enable AEMO to include feedback from the HLIA process into the Procedure change process.

ECGS information disclosure regime

AEMO considers that some aspects of the draft information disclosure provisions should be amended to better align with existing Part 18 arrangements. Draft rule 150A is not consistent with existing Part 18 rules around group reporting³. The Rules should provide for only one BB reporting entity for an *LNG export project* as the project already includes the BB facility (*LNG export facility*). This provides consistency with the current rules

¹ The current Part 27 definition of pipeline segment is by reference to the Part 18 definition through the procedures.

² A carve-out should allow aggregated publication 'to the extent practicable'.

³ Facility operator groups, field owner groups and facility develop groups all operate under the basis of one in the group being registered as the BB reporting entity.

framework and system implementation. AEMO currently links everything to a single facility ID, which can only be associated to a single BB reporting entity. Maintaining this arrangement avoids unnecessary system changes, and all LNG export projects are already currently reporting in this manner. This would also remove the need for repeated “and/or other entities” references throughout the Rules given the existing term ‘BB reporting entity’ is used instead of the new term ‘responsible reporting entity’ to describe the appointed group member. A consequential change would be to update the definition of BB reporting entity in rule 141(1) and review relevant rules⁴, headings and the transitional rules to ensure they remain appropriate.

For pipeline segment reporting, AEMO expects that short term capacity outlook (STCO) and medium term capacity outlook (MTCO) will continue to be reported by pipeline segment, consistent with how pipeline systems are currently reported on the GBB. The intention is to preserve segment level reporting which supports granularity in assessing capacity risks in the PASA. To support this, the *daily capacity* definition in the Rules will need to be amended to explicitly account for pipeline segment reporting rather than directional reporting⁵. In addition, AEMO noted in its ECGS PASA report⁶ that actual linepack data for each pipeline for the previous day is required from BB pipelines for validation purposes, but does not appear to be reflected in the draft rule.

AEMO notes that LNG import terminal MTCO reporting presents unique challenges compared to production facilities. For a production facility the MTCO provides an indication of the maximum amount of gas that can be supplied to the market on a day, however for an LNG import facility the capacity is not an indication of the supply available to be supplied as it is dependent on a vessel being physically present. For example, an import terminal may have an MTCO of 500 TJ/day, but this capacity would only be realisable if the ship is docked or where LNG is available in storage. Otherwise, the available capacity is effectively zero. This distinction between capacity and actual supply availability is important for AEMO’s PASA modelling⁷. AEMO recommends the Rules clarify that LNG import facilities provide information to AEMO regarding the availability of gas that can be supplied to the market to accompany MTCO reporting, in accordance with the Procedures, so that supply availability can be assessed.

AEMO recommends introducing a provision in the Rules to enable AEMO to request detailed facility information to be defined through AEMO Procedures for our MT PASA modelling. AEMO’s operational experience indicates that some BB facilities’ nameplate values do not reflect limitations and are not feasible across longer duration periods. For example, a storage facility may report a specific capacity to AEMO however may not be able to sustain that capacity operationally for more than a couple days given dependencies on reservoir levels, available compression etc. Storage facilities already have an obligation under the STCO to report lower capacity if low inventory impacted on injection rates. However, it is unlikely storage facilities could forecast this into the MTCO timeframe (24-months ahead). Forecasting such limitations into the MTCO timeframe would not be practical without additional information.

Finally, the following clarifications to the draft rule are needed to align with policy intent:

- The draft amendments to rule 410 to extend bids from gas days D+3 to D+6 should only apply to price-taker bids and not to ex ante offers and bids.
- Draft rule 185A should clarify that the 12-month outlook for LNG export facilities’ daily gas consumption includes all gas consumption which should cover the quantity of covered gas required for feed gas, as this

⁴ Including Rule 155.

⁵ Suggested change for 141(1) daily capacity definition clause (b) for a transmission pipeline, for each ~~direction~~ pipeline segment in which gas can be transported on the pipeline, the quantity of gas that can be transported through the pipeline ~~segment~~ on a gas day ~~in that direction~~;

⁶ AEMO, *Developing a projected assessment of system adequacy for the east coast gas system*, October 2024.

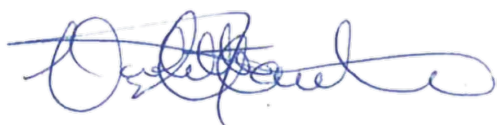
⁷ There is a significant risk that excluding this information results in AEMO triggering risk or threat notices that aren’t required because the LNG import supply has been scheduled.

is also a component of demand. The materiality threshold for updates should also allow a greater range and provide more flexibility given how far out this information is being provided.

- The removal of rule 135EA(7)(c)(vii) which related to procedures for the circumstances in which information must be reported under deleted rule 689(4) should be accompanied by a corresponding entry in 135EA(3) referencing new rule 190H. Draft rule 190H would also need to link to the Procedures for the circumstances in which this information must be reported.
- Draft rule 178(1A) should more explicitly link to rule 178 by clarifying that a BB reporting entity for a BB pipeline is taken to have satisfied the requirements of rule 178 if they meet the requirements of rule 178(1A).
- Draft rule 190H in Part 18 of the Rules⁸ obligates BB reporting entities for a BB facility - other than a BB large user facility or an LNG processing facility – to notify AEMO of events or circumstances that may affect the reliability of gas supply. AEMO considers that LNG import facilities should be obligated to notify AEMO of these types of events or circumstances given they are also supply facilities and recommends that the reference to LNG processing facilities be removed and replaced with LNG export facility.
- The definition of 'pipeline segment' in rule 141 has been included twice in the Rules.

AEMO looks forward to continuing work with the AEMC on the Stage 2 reliability and supply adequacy rule changes. 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

⁸ This draft rule has been transferred from Part 27 of the Rules, see Rule 689(4).