28 August 2025

Stuart Norgrove
Project Lead
Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

Submitted electronically: Lodge a submission | AEMC

Dear Stuart,

EnergyAustralia Pty Ltd
ABN 99 086 014 968

Level 19
Two Melbourne Quarter
697 Collins Street
Docklands Victoria 3008

Phone +61 3 8628 1000
Facsimile +61 3 8628 1050

enq@energyaustralia.com.au
energyaustralia.com.au

AEMC - Draft determination on ECGS Projected Assessment of System Adequacy

EnergyAustralia is one of Australia's largest energy companies with around 2.2 million electricity and gas accounts across eastern Australia. We also own, operate and contract a diversified energy generation portfolio across Australia, including coal, gas, battery storage, demand response, wind and solar assets, with control of over 5,000MW of generation capacity.

We appreciate the opportunity to respond to the draft determination and draft rule for the introduction of an East Coast Gas System projected assessment of system adequacy (ECGS PASA) information requirements and AEMO's note on Forecasting gas usage for Gas powered generation (GPG).

EnergyAustralia agrees with the intent of the draft rule to improve transparency, uniformity and standardisation on the data collected for ST PASA and MT PASA to help AEMO identify any gaps in supply. We consider it is critical that proposed changes do not add cost and administrative burden on market participants.

Expanding on the principles outlined in our initial submission[1], we highlight that while generally supportive of the objective of a gas ST PASA and MT PASA, we would expect that the final rule will more clearly:

- Ensure the new reporting system leverages existing data to minimise burden on participants
- Avoids the creation of duplicative reporting submission systems
- Avoids or, to the largest degree, minimises additional costs by creating ECGS PASA that improves existing inputs

At a high level, we encourage AEMC to consider the following elements that influence the effectiveness of the ECGS PASA:

[1] https://www.aemc.gov.au/sites/default/files/2025-05/EA.pdf

- Any new reporting systems creates the risk of duplication and unnecessary complexity. AEMO possesses sufficient information to compile short- and medium-term forecasts

- the cost to uplift AEMO's systems is ultimately borne by market participants and passed onto consumers, therefore, system enhancements should be incremental, tested prior to implementation and build on existing systems

- Participants need guidance on data requirements to avoid errors, penalties and to ensure confidence in the PASA outputs

- It is imperative that the publication of commercially sensitive data is carefully managed, with appropriate exemptions

- GPG modelling is contingent on operational behaviour, forward market, short term renewable energy variability, the forecasting methodology adopted by AEMO and appropriate capture of physical and/or network limits

- The proposed information requirements to determine supply and demand are static, missing the opportunity to give a clearer picture of reserves and operational flexibility able to cover periods of shortfalls could dilute benefits of the reform

- Reporting obligations should be commensurate with information that market participants can reasonably provide, such as fuel availability and contracted essential system services

- MT PASA information requirements are appropriately assigned to suppliers as they are best placed to provide it

Some of these points are expanded below.

Use of existing data

We consider that data published through the current technical interfaces of Market Information Bulletin Board (MIBB), Market Information Systems (MIS) and Gas Bulletin Board (GBB) can be readily adopted, reducing the costs and resources to meet reporting obligations and deliver on the creation of a gas ST PASA. Where this is not sufficient, we support a determination that introduces additional submission horizon requirements *within these systems* rather than in separate and parallel data reporting requirements for BB shippers and gas buyers.

In the last several years, the gas industry has gone through system uplift and the benefits of those changes should be reflected in how the new PASA would operate. If the approach taken is to build on existing systems, then we agree that the costs to gas participants would be incremental. We consider there needs to be more scrutiny regarding the systems that are necessary to deliver the PASA.

Data quality

Participants and facility operators require clarity on what data is required and how data for some market aspects will be managed.

The requirement for BB facility operators to provide nomination data separate and in addition to AEMO's market schedules could result in duplication and errors between the

two. Our view is that 7-day demand submissions from participants, rolling updates of BB facility *total capacities* from facility operators and forecast production quantities from producers will provide clear information on system adequacy. The additional requirement in the draft determination for aggregated daily good faith estimates of use from BB facility operators as nominated to them from other participants could create uncertainty in the resulting PASA.

There is a strong relationship between network outage information and the quality of PASA. For example, production and pipeline facility capacity is identifiable through capacity outlook reporting. Therefore, we support network outage information being included in the formulation of the ST PASA and MT PASA to provide a better understanding of infrastructure availability for the market to make informed decisions.

We question whether the 'demand forecast' includes controlled withdrawals and how bidding behaviours, reforecasting and subsequent rescheduling may be considered. The potential for generator dispatch decisions affects this (something we also raise in the AEMO's forecasting gas usage for GPG note). It is useful for the final rule to include information on the intervals when ST PASA will be *re*-issued, if at all.

Interactions across the gas system

The draft rule is seeking to extend STTM/DWGM information disclosure obligations of BB shippers and gas buyers to provide good faith estimates of their gas use/demand. Given the nature of bilateral contracts, these requirements would fall on the retailer to forecast their customer demands to the market hubs, their usage requirements to facility operators (pipelines) and what sources of supply they are offering into the market (upstream gas producers). The retailer is well placed to supply demand forecasts of its customers to the market but its ability to provide timely information with respect to their offers of supply will be reliant on other parties in the supply chain.

In the case of unplanned operational outages in upstream supply, short-term disruptions will feature fluid timelines and BB shippers will be reliant on reliable communications from suppliers before they can provide most updated gas requirements to facility owners (pipeline).

In the case of a facility outage, such as a compressor outage, it can mean that updated supply capabilities may not be made available to the facility owner in a timely way. Ex-post revisions can be a part of the final accounting of information such that no disclosure can be made at all.

The potential for these situations combined with how dynamic GPG decision making can quickly change BB facility usage contribute to our view that BB facility operator *total capacities* and not 7-day good faith estimates of use are best placed to contribute to a ECGS PASA. In addition, we would encourage the AEMC to consider removing the 185B (1) and 185B (2) provisions and instead for these to be included in the ECGS Guidelines. As it stands, these provisions are not aligned with the principle of flexibility that underpins this rule change. As information shifts on short notice and market participants report into other market participants, this could result in informational inadequacy which carries severe penalties. The ECGS Guidelines are much better poised to give industry clarity and direction, while also being adaptable to change without the need for a rule change process.

Penalty regime

We acknowledge that a similar penalty regime is applied in the electricity market for reporting non-compliance, but we invite some consideration to be given to the nature of the reporting system being created and the expectation of harm.

The rolling days reporting will resolve any missing data and allow participants to rectify any errors while not being severely and disproportionately penalised for this. At the same time, the reporting regime is tied to other market participants and penalties should account for differences between the impact of different segments of the gas market.

Roles and responsibilities

We support AEMO as the entity best placed to develop the specifics of the PASA and for those to be part of the Guideline to allow for evolving changes without the need for extensive rule change consultation processes. AEMO has extensive experience in PASA forecasting but changes in reporting and compliance should be cognisant of the already complex framework. To maintain adaptability, the ECGS Guidelines would likely benefit from clearly defining the different levels of reporting requirements (in line with our comments thus far).

Reform benefits

In relation to the benefits identified, including increased transparency and lower barriers to entry to the ECGS, there may be some benefits delivered by the proposed PASA. However, the overall benefits identified do not prompt market liquidity, which is a crucial factor in our view.

We note that AEMO has indicated a preferred implementation timeline different to what is proposed by AEMC. This is indicative of the layered approach and system testing required. With this foresight, benefits might be less than initially scoped if additional complexity is introduced.

Benefits will also flow on to market participants if principles of data quality, visibility, clarity of requirements and incremental changes are applied.

AEMO - Feedback on the note on Forecasting gas usage for GPG

EnergyAustralia believes that the proposed inputs via a residual method are appropriate and preferable as most generation data can be driven from existing NEM data (including use of NEM ST PASA as far as possible).

Critically, data should be at aggregated level and de-identified to avoid any commercially sensitive information from being divulged to the market.

To complement the residual method, we see the value of multiple short term GPG demand scenarios as it may improve visibility on the market, including available facility capacity and expected facility utilisation (availability of auction services across a broader window), gas availability and some price indicators (price sensitivity etc).

However, these scenarios should not be overly complex that require additional data input from market participants. In addition, gentailers' behaviour may prove challenging to predict due to a range of factors, there are added complexities including intermittent renewable output, limited future network outage advice, among a few aspects.

Useful scenarios would be in times of low renewable (wind) output and stretched gas supply scenarios, for example when there are high levels of coincident demand (retail and generation).

There are a few limitations/risks that should be considered during the design and implementation of the GPG forecasting approach, including:

- Outage data is important for the accuracy of forecasts as it could help provide better indication on what is driving available gas and market price outcomes (and price sensitivity). We are unclear if production facilities will be required to provide this data. In addition, data is generally reasonable in the short-term window, though there are questions on the quality of medium-term forecasts.

- Network outages and maintenance impacts the delivery of energy. In the case of the electricity market, outage planning schedules rarely cover 12 months in advance and can be subject to change in short timeframes. This raises issues of how accurate the forecast could be if information from other limbs of the market is not subjected to similar data requirements.

- It may cause overreacting of the market, which is an unintended consequence.

- The linkages/update between the electricity and the gas market data dispatch engines and the timing of changes that occur in either. There are implications for forecasts of late rebidding, dispatch decisions made in the NEM, losses of generation or changes in interconnection flows. There might be limitations on how the residual method will view GPG levels required to firm the NEM and what would the measure be (a GJ/MWh basis).

If you would like to discuss this submission, please contact me via email at Ana.Spataru@energyaustralia.com.au or by calling 03 3906 0713.

Regards,

Ana Spataru

Regulatory Affairs Advisor