

Submission Type: Market Review

Reference: ECGS Projected Assessment of System Adequacy

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Comments:

1. Who benefits from this? There appears to be little to no economic value.

At present, it is unclear who the primary beneficiaries of the ECGS PASA implementation are, especially given the apparent lack of demonstrable economic value.

The proposal does not adequately outline tangible financial or operational advantages for market participants, system operators, or consumers.

From our perspective, the biggest change in demand will come from gas fired generators who will wait until the electricity market is giving the signal to burn the gas to create electricity.

Without clear benefits, it's difficult to justify the investment and operational complexity associated with the initiative.

2. Who will bear the cost of implementation? This has not been clarified.

The proposal does not specify who will be responsible for the additional costs incurred through the implementation of ECGS PASA.

Transparency around the funding model and the expected financial burden on various stakeholders is crucial. Without this clarity, there is a significant risk of misaligned incentives and resistance, particularly if the cost impacts are disproportionate or poorly communicated.

Gas consumption on aggregate has been on the decline and is forecasted to decline further, yet the costs for AEMO (for gas) are rising. Compounding the impact for the end consumer through the reallocation of costs. This is putting more and increased pressure on the final industrial customer for little to limited benefit.

The industrial client benefits would be served better by focusing attention on cheaper gas instead of more regulations.

3. Current forecasting beyond D+2 is already unreliable — how will more accurate forecasting be achieved to support this implementation?

Forecasting in the NEM beyond D+2 timeframe is widely considered to provide limited accuracy. Transposing these requirements to the ECGS wouldn't solve the issue as the

forecast in the NEM would create the largest variation in the gas market due to the heavy reliance on gas fired generators who have become the price settlers in the gas market.

Without significant improvements in forecasting methodologies & their accuracy, the value of the outputs generated by this implementation will be questionable. Furthermore, we would benefit from clarity around what investments or innovations are planned to address the known limitations of current forecasting capabilities