



28 August 2025

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

RE: GRC0080 - ECGS Projected Assessment of System Adequacy

About Shell Energy in Australia

Shell Energy is Shell's renewables and energy solutions business in Australia, helping its customers to decarbonise and reduce their environmental footprint. Shell Energy delivers business energy solutions and innovation across a portfolio of electricity, gas, environmental products and energy productivity for commercial and industrial customers, while our residential energy retailing business Powershop, acquired in 2022, serves households and small business customers in Australia.

As the one of the largest electricity providers to commercial and industrial businesses in Australia¹, Shell Energy offers integrated solutions and market-leading² customer satisfaction, built on industry expertise and personalised service. The company's generation assets include 662 megawatts of gas-fired peaking power stations in Western Australia and Queensland, supporting the transition to renewables, and the 120-megawatt Gangarri solar energy development in Queensland. Shell Energy also operates the 60MW Riverina Storage System 1 in NSW, as well as the 200MW Rangebank Storage System and 370MW Koorangie Storage System both located in Victoria.

Shell Energy Australia Pty Ltd and its subsidiaries trade as Shell Energy, while Powershop Australia Pty Ltd trades as Powershop. Further information about Shell Energy and our operations can be found on our website [here](#).

General Comments

Shell Energy supports the implementation of a gas short term and medium term PASA and welcomes the opportunity to provide further input into the Commission's rules design process. We consider that the PASA framework will provide additional rigour and transparency for AEMO's gas market intervention powers. While threat signalling is a component of the draft rule, we note that there is not yet a clear link between the AEMO's assessment of PASA, an assessed threat, and the exercise of its intervention power. It will be necessary to update the rules to provide this link to ensure that market participants have confidence in the assessment of a threat and the process leading to market intervention by AEMO. If this is not addressed in this PASA rule change we consider that the gas reliability standard rule change process should provide the appropriate rules-based structures for clarifying and guiding the exercise of AEMO's market intervention powers in relation to the PASA assessments.

Gas Power Generation Forecasting

¹ By load, based on Shell Energy analysis of publicly available data.

² Utility Market Intelligence (UMI) survey of large commercial and industrial electricity customers of major electricity retailers, including ERM Power (now known as Shell Energy) by independent research company NTF Group in 2011-2021.



Shell Energy considers that there is sufficient forward information available in the electricity market for a robust forecast of gas power generation (GPG) to be produced. The existing NEM 7 day pre-dispatch and STPASA outputs provide highly detailed outlooks for gas powered generation using AEMO's existing forecasting tools and participant bids. Reliable heat rate estimates are available for GPG across the NEM which enable gas consumption to be forecast with reasonable accuracy based on anticipated generation. These outlooks are currently used for reliability assessments at a high resolution in the electricity market and we therefore consider that this information can be directly leveraged to provide a reasonable GPG demand forecast on a daily basis.

We note AEMO's intention to use a scenario approach to GPG forecasting but consider that this approach could lead to divergence between NEM STPASA and gas STPASA. This would be an undesirable outcome for market participants as it could result in conflicting signals between markets. Using a single source forecast based on the information available through the NEM STPASA and 7 day redispatch processes would avoid this outcome. We encourage the Commission to provide definitive guidance that supports alignment of the gas STPASA GPG forecast with the predispach and STPASA forecasts in the electricity market.

Timeframes for MTPASA

We note that from a participant perspective the 12 month forward MTPASA window may not provide sufficient information to align with business processes. For example, when contracting forward on a calendar or financial year basis the MTPASA will not cover the entire period being considered. While the GSOO is proposed to take over from the end of the MTPASA period, the transition is unlikely to be seamless. Different assessment approaches, data formats and start and end times between the two processes will introduce complexity and limit transparency. We encourage the Commission to consider how the two processes can be well integrated and provide guidance to AEMO to ensure that the MTPASA and GSOO work harmoniously to provide detailed information to participants without unnecessary manual analysis. Alternatively, we consider that a more appropriate timeframe for the MTPASA may be 24 months to ensure that consistent information is available across a time horizon that is relevant for business purposes.

Information Provision

Shell Energy appreciates the Commission's work to consolidate information provision requirements and to limit the amount of additional information required for implementation of the PASA. We note however that shifting some of the provisions from chapter 27 to chapter 18 of the rules exposes market participants to additional penalties for non-compliance. Our view is that tier one civil penalties are overly burdensome. The information being provided to AEMO is complex, detailed, and updated frequently. We consider that penalties for non-compliance with the information standard, when it has little to no impact on system outcomes or assessments, should not be exposed to such heavy potential penalties.

Since the proposed rules only outline the PASA design at a high level and delegate most of the detailed design to AEMO procedures, we consider that additional information may still be identified by AEMO and requested as part of that process. Shell Energy considers that the Commission should provide guidance in the Rules to ensure that every effort is made to identify and make use of existing information being provided by participants before creating new information provision requirements. Gas market data reporting has been a significant cost to the industry and consumers in recent years and leveraging the work that has already been undertaken will be the most efficient outcome for all participants.

Shell Energy welcomes further engagement on this topic. If you have any questions or would like further details relating to this submission, please contact Peter Wormald at peter.wormald@shellenergy.com.au.



Yours sincerely,

Libby Hawker
General Manager - Regulatory Affairs and Compliance