

28 August 2025

Australian Energy Market Commission

Submitted online



Gas PASA: Draft Determination

The Australian Financial Markets Association (AFMA) is responding to the Australian Energy Market Commission (AEMC) draft determination consultation on the ECGS Projected Assessment of System Adequacy (Gas PASA).

AFMA is the leading financial markets industry association promoting efficiency, integrity and professionalism in Australia's financial markets, including the capital, credit, derivatives, foreign exchange, energy, environmental, carbon, and other specialist markets including gas. Our membership base is comprised of over 130 of Australia's leading financial market participants, including many of the energy firms who are key participants in the Australian east coast gas market.

Key Points

- **Changes proposed in the draft determination will increase burden for industry**
 - **The 7-day proposal appears unworkable**
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1. Data gathering and reporting burden

As AFMA expressed in our submission to your initial consultation,¹ we supported the initial proposal on the basis that it did not have any additional reporting requirements for market participants. AFMA does not support the revised proposal as the new requirements will increase regulatory burden for no obvious market benefit. At a time where government is focused on boosting productivity across key sectors of the Australian economy, particularly including energy, AFMA cautions against additional burdens on industry time and resources.

AFMA is sceptical as to the material benefits of moving from three to 7-day forecasts and do not believe the AEMC has sufficiently made the case for this or demonstrated the market benefit. We also have practical concerns on how the proposal will work. Conceptual we consider that there are two ways to extend data collection to 7:

1. Extending the obligation to submit bids and offers out to 7 days
2. Creating a new process to submit demand forecasts out for 7 days, which are not bids

We consider that both approaches increase regulatory burden for no clear benefit- the additional regulatory burden is considerable, but AFMA sees no reality where this would be feasible to implement. For example, with regard to the DWGM, the draft determination notes that participants would only be required to submit their demand forecasts over seven days with the bid horizon remaining 3 days. AFMA is unclear if this requirement for 'demand forecasts' covers controllable withdrawals, i.e. the opportune withdrawals and injections that a participant makes. At the same

¹ <https://www.afma.com.au/policy/submissions/2025/r19-25-aemc-ecgs-projected-assessment-of-system-ad.pdf?ext=.pdf>

time, it is unclear if this requirement would cover all participants in the DWGM. It may be challenging to get value demand forecast from some participants, such as gas peakers, 7 days out given their responsiveness to price conditions in the National Electricity Market.

Fundamentally, we also do not believe that utilising spot bid data from market participants is the most accurate method to provide a picture of demand., in pushing out the proposal to a 7-days we see either one of two new obligations to implement:

While AFMA would support a return to the original 3-day proposal, on the basis that it imposes no additional cost to market participants, as set out in our response to the consultation extending AEMO's functions and powers we consider that using participant data to calculate demand is not the best approach and that AEMO would be able to produce better forecasts using its own data, as it does for the electricity PASA.²

AFMA Recommendations

- i. Return to the original proposal
- ii. Consider having AEMO prepare demand forecasts

AFMA would welcome the opportunity to discuss this submission further and would be pleased to provide further information or clarity as required. Please contact Monica Young at myoung@afma.com.au or 02 9776 7917.

Yours sincerely,

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² <https://afma.com.au/getattachment/e40473fb-4d80-4a7b-bfba-49b90f663bff/R068-22-gas-adequacy-NGR.pdf?lang=en-AU&ext=.pdf>