

28 August 2025

Australian Energy Market Commission (AEMC)

Via AEMC website: [www.aemc.gov.au](http://www.aemc.gov.au)

### **National Gas Amendment (ECGS Projected Assessment of System Adequacy) Rule**

Alinta Energy welcomes the opportunity to provide feedback on the Draft Determination for the proposed ECGS projected assessment of system adequacy (PASA) rule.

#### **Key points:**

- **We are generally supportive of the overall aim of the proposed rule, in the interest of improving intra-year information in the ECGS.**
- **We believe the PASA regime should avoid imposing additional reporting requirements on participants, making better use of data currently available.**
- **We do not support the proposed new Civil Penalties and believe this adds unnecessary burden on participants.**
- **We recommend that the AEMC delays the Rule Change until such a time that the Gas Market Review underway has been finalised.**
- **The rule change should not be progressed as designed unless benefits clearly outweigh costs and implementation costs should be disclosed to participants within the consultation period, prior to the Final Determination.**

### **Proposed changes and inputs for the ST and MT PASA**

#### **We support the aim to improve intra-year information without imposing additional reporting burdens on participants**

As noted in our response to the AEMC's initial consultation<sup>1</sup>, Alinta Energy is generally supportive of the overall aim of the proposed rule in the interest of improving intra-year information in the ECGS.

With that in mind, our support for the ECGS PASA regime is provided on the basis that:

- No further burdensome data requirements (nor penalties) are imposed on participants;
- Better use is made of data currently being reported on;
- Current exemption arrangements are maintained; and
- Duplication in the regulations is removed where possible.

<sup>1</sup> <https://www.aemc.gov.au/sites/default/files/2025-05/Alinta.pdf>

As outlined in our initial response<sup>2</sup>:

*“Alinta Energy considers that existing reporting requirements on the gas industry provide the necessary underlying information to create a gas PASA. The gas industry has experienced a massive increase in regulatory burden relating to transparency in recent years and the costs associated with this are having a material impact on the cost of gas to consumers. Compliance with current reporting requirements are comprehensive and time-consuming: additional rules may serve to add further burden on participants without necessarily providing the benefits sought by the proposed rule change”.*

Given that there is likely to be significant AEMO implementation costs<sup>3</sup> which will be directly recovered from market participants, it is critical that any other participant costs are minimised. Comments from the AEMC around “incremental”<sup>4</sup> amendments do not consider the significant number of participants that this is likely to impact and overlook the continued pressure to keep costs down for consumers.

While the extension of demand forecast requirements to 7 days in both the Declared Wholesale Gas Market (DWGM) and Short-Term Trading Markets (STTM’s) is a relatively simple change, the additional Bulletin Board (BB) submission requirements are likely to create significant extra costs across a large portion of participants. Although these changes may seem incremental to the AEMC, any new compliance requirement (regardless of magnitude) comes at a significant cost to participants, particularly given the Civil Penalty regime attached to these.

While the ST and MT PASA forecasts provide participants additional visibility and information for short to medium term decisions, they will not support additional supply into the market and alone will not improve cost outcomes for consumers.

Alinta Energy appreciates the AEMC’s requests for additional information are driven by AEMO producing these Gas PASA outputs, however, we question the additional benefits that this would provide. AEMO is already uniquely positioned to take a ‘whole of market’ view, currently receiving information from participants and creating forecasts around consumer demands and GPG expected outcomes. For example, in the DWGM, AEMO has the ability to override participant demand forecasts if it feels these are not reflective of current conditions. We encourage the AEMC to rely only on information already available to produce valuable outputs for participants and third parties, without adding further reporting burdens on participants.

We support the proposal for AEMO to be responsible for the GPG forecast. In terms of delineating regions, we support the North/South proposal for its simplicity.

We support AEMO producing summaries of reliability and adequacy that add value to the market, provided this is produced with information AEMO already has.

Finally, MT PASA reporting obligations should retain the exemption for BB large user facilities to report only maintenance work.

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<sup>2</sup> <https://www.aemc.gov.au/sites/default/files/2025-05/Alinta.pdf>

<sup>3</sup> Draft Determination, p.26.

<sup>4</sup> Draft Determination, p.9 – 10.

## **We do not support the application of Civil Penalties on good faith forecasting provisions**

Should the AEMC proceed with the recommendations outlined in the Draft Determination, we do not support applying a tier one Civil Penalty to the requirement to submit DWGM and STTM bid and demand horizons and a tier two Civil Penalty to the requirement for shippers to provide good faith estimates of their facility use.

These penalties would be duplicative. Participants are already subject to extensive and onerous reporting requirements with associated compliance and enforcement measures in place, including but not limited to, contemporaneous rebidding reasons for renominations, gas transparency reporting and existing good faith requirements around demand forecasts and bidding. Additionally, BB shippers and gas buyers are already required to provide facility operators with good faith estimates of facility use over the next seven days.

Further, noting the complexity and uncertainty of factors underpinning these forecasts, it may be difficult for participants to prove their good faith. Aside from any forecast simply not being submitted, we question how any determination could be made on whether a submission was in good faith; and note that forecast errors alone should not be relied upon to make this judgement. We do not believe including a 'good faith' assessment in this compliance measure is appropriate, as it would introduce too much subjectivity in this process, and produce an outcome that would burden participants with increased risk – disincentivising people from participating in the market. The penalties would also be disproportionate to the potential impacts of non-compliance noting that they are unlikely to impact market or operational outcomes.

## **Timing and costs**

### **The Rule Change should be delayed until after the Gas Market Review**

We recommend that the AEMC delays the Rule Change until the Gas Market Review underway has been finalised.

The Rule Change, as noted by the AEMC<sup>5</sup>, is part of the stage 2 RSA framework reforms. As such, the establishment of the PASA is potentially interconnected with any changes to the triggering of the ADGSM mechanism and associated new AEMO powers around supplier of last resort. Until clarity is provided on these additional mechanisms following the outcomes of the Gas Market Review, we proposed delaying this Rule Change until such a time that we can evaluate the benefits and inputs for the ECGS PASA within this context.

### **The change should not progress as designed if costs outweigh benefits. Implementation costs should be disclosed to participants prior to a Final Determination**

The paper outlines<sup>6</sup> the implementation costs incurred by AEMO for this “significant undertaking”<sup>7</sup> would be recovered by participant fees, with the quantum of these costs undisclosed.

Participants are unable to respond to the cost of implementation being “outweighed by the

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<sup>5</sup> Draft Determination, p.4.

<sup>6</sup> Draft Determination, p.24.

<sup>7</sup> Draft Determination, p.26.

key benefits”<sup>8</sup> of the ECGS PASA proposal, without understanding the magnitude of these costs.

Additionally, we are mindful that additional costs incurred by participants will result in pass-through costs to customers. Alinta Energy strongly recommends that the Rule Change should not be progressed unless benefits clearly outweigh costs. If the AEMC progresses this Rule Change to a Final Determination in support of the changes proposed, we propose including a requirement in the NER for AEMO to disclose implementation costs as a separate line item, to allow participants to provide visibility of this to their customers.

Noting the above, we strongly recommend AEMO discloses the estimated implementation costs to market participants within the consultation period prior to the Final Determination.

Thank you for your consideration of Alinta Energy's submission. If you would like to discuss this further, please get in touch with Isidora Stefanovic at [isidora.stefanovic@alintaenergy.com.au](mailto:isidora.stefanovic@alintaenergy.com.au).

Yours sincerely,

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<sup>8</sup> Draft Determination, p.26.