

APA Submission to Projected Assessment of System Adequacy Draft Determination

APA Submission

18 September 2025



Anna Collyer
Chair
Australian Energy Market Commission
Level 15, 60 Castlereagh Street
SYDNEY NSW 2000

Lodged online

18 September 2025

RE: APA Submission to ECGS Projected Assessment of System Adequacy Draft Determination

Dear Ms Collyer,

Thank you for the opportunity to comment on the East Coast Gas System (ECGS) Projected Assessment of System Adequacy (PASA) Draft Determination. We appreciate the opportunity to contribute to these important issues and support measures that aim to increase the accuracy and reliability of information reported to AEMO.

APA is an ASX listed owner, operator, and developer of energy infrastructure assets across Australia. Through a diverse portfolio of assets, we provide energy to customers in every state and territory. As well as an extensive network of natural gas pipelines, we own or have interests in gas storage and generation facilities, electricity transmission networks, and 692 MW of renewable generation and battery storage infrastructure.

We appreciate the AEMC's constructive engagement in this process and thank the Commission for taking on board stakeholder feedback in the draft determination.

After considering the draft rules, we are concerned about the potential duplication with existing obligations and the risk of increased operational burden. Recommendations on certain aspects of the draft rules are outlined below.

If you have any questions about our submission, please contact John Skinner on 0435 898 022 or john.skinner2@apa.com.au.

Regards,



Natalie Lindsay
General Manager
Economic Regulatory and External Policy

APA's Recommendations

Linepack actuals – AEMO High Level Implementation Assessment

Since the Draft Determination was published, both the AEMC and AEMO have proposed that BB pipelines be required to report the previous day's actual linepack data, by linepack segment, on a daily basis.

APA supports the objective of enhancing supply adequacy monitoring and market transparency. However, we do not agree that the mandatory daily reporting of actual linepack data is the most effective way to achieve this.

The gas market's dynamic nature, characterised by intra-day renominations, customer-driven volume shifts, and responsive market behaviours naturally leads to forecast deviations. This reflects the efficient operation of the market. Imposing rigid reporting requirements could undermine the flexibility and liquidity essential to the efficient operation of the market.

Furthermore, actual linepack data lacks critical operational context and may be misinterpreted, leading to unnecessary interventions by AEMO where the forecast data and actuals are compared. In extreme circumstances, East Coast Gas System directions could be issued based on this data.

Instead, APA advocates for strengthening real-time communication when there are material concerns (e.g., PASA thresholds are breached or in imminent breach) between AEMO and facility operators and improving the accuracy of forecast inputs, such as nomination processes.

Event or circumstances affecting reliability of gas supply - Rule 190H

An obligation to notify AEMO of an event or circumstances that will affect or may affect reliability of gas supply, including equipment failure was introduced as part of the East Coast Gas System reforms in 2024 (NGR s689(4)). In AEMO's Bulletin Board Procedures (BB Procedures) AEMO has qualified that this pertains to events over 50 TJ capacity impact. This requirement is met via a manual notification process of email to AEMO or phone call.

At the time of the East Coast Gas System reforms, APA contended that this obligation was a duplication of existing reporting and transparency measures and places undue operational and regulatory burden on facility operators.

For changes in capacity that could impact gas supply, APA reports these changes as part of the Short Term Capacity Outlook, Linepack Capacity Adequacy, Medium Term Capacity Outlook for longer term planned capacity events and Linepack Capacity Adequacy Flags.

AEMO has access to this automated information already and can develop alerts within its systems to identify these changes. If required, AEMO can follow-up with facility operators to understand any supply impacts further.

The added layer of reporting imposed by rule 190H duplicates existing reporting, incurs unnecessary costs, and diverts critical focus from operational response, particularly during system events when the priority must be on restoring gas supply to the market.

In addition, the current drafting of clause 190H, if retained, is too broad. For instance:

- events that 'may affect' reliability of gas supply must be reported despite the fact that the operator determines they can manage the issue through various options and not impact gas supply,
- the rule has no materiality threshold meaning it could be interpreted by AEMO that any event that may impact the reliability of gas supply must be reported, however small, and
- the term 'reliability of gas supply' is very broad and could be interpreted extremely broadly.

APA's view is that 190H requires amendment to clarify the scope and materiality of the rule.

Medium Term Capacity Outlook

APA recommends that changes to the Medium Term Capacity Outlook (MTCO) to incorporate daily capacity data for 24 months be provided in blocks rather than individual daily rows. This is to avoid excessive file sizes where facility operators report multiple BB pipelines in one file and potential errors emanating from AEMO's system not accepting files. Should this happen, substantial resources are devoted to troubleshooting reporting issues, distracting personnel from their core operational duties of maintaining gas supply.

We would like to engage further with AEMO about this issue following the conclusion of the rule change process.

Pipeline Segments

The draft rules do not define or provide parameters around what constitutes a pipeline segment. Whilst facility operators already report against pipeline segments broadly defined in the BB Procedures, any changes to these segments would require significant system adjustments, impose a considerable regulatory burden if distinct from other reporting segments used in the NGR and would impose additional regulatory costs on the market. Any proposed changes to the granularity of pipeline segment reporting must be subject to formal consultation and a thorough cost-benefit analysis.

BB Shipper Nominations

APA agrees that the accuracy of shipper nominations is most appropriately placed on the shippers and not facility operators. We appreciate the AEMC giving consideration to this.

AEMO's East Coast Gas System PASA High Level Implementation Assessment (HLIA) notes an intention for compliance monitoring and communications of this obligation to be managed via the relevant facility operator in the first instance.¹

It is the role of the Australian Energy Regulator under the National Gas Law to monitor compliance. Any obligations on facility operators to monitor shipper forecast and nominations data will significantly increase the administrative burden on facility operators, distracting personnel from core operational duties. It should not be the responsibility of facility operators to monitor compliance with NGL/NGR obligations.

The information provided to facility operators by BB shippers is confidential information and will be provided to the BB on a consolidated basis. We request that the AEMC and AEMO consider alternative arrangements to monitor BB shipper compliance with their PASA obligations.

¹ AEMO, *ECGS PASA, High Level Implementation Assessment*, August 2025, Table 5