

25 September 2025

The Project Leader
Australian Energy Market Commission
East Coast Gas System Reliability Standard
and Associated Settings Rule Change Request

Submitted online at: www.aemc.gov.au/contact-us/lodge-submission

Dear Project Leader

SUBMISSION: DIRECTIONS PAPER ON THE NATIONAL GAS AMENDMENT (ECGS RELIABILITY STANDARD AND ASSOCIATED SETTINGS) RULE

CS Energy welcomes the opportunity to respond to the Directions Paper on the National Gas Amendment (ECGS Reliability Standard and Associated Settings Rule (**Paper**)).

About CS Energy

CS Energy is a Queensland-owned and based company providing power to some of the State's biggest industries and employers. We generate and sell electricity in the wholesale and retail markets, and we employ almost 700 people who live and work in the regions where we operate.

CS Energy owns thermal power generation assets, and we are building a more diverse portfolio. We have a renewable energy offtakes portfolio of almost 300 megawatts, which we supply to our large commercial and industrial customers in Queensland. CS Energy is developing a 400 MW gas-fired generator at Brigalow near Kogan Creek in Queensland.

Key recommendations

CS Energy's response to the initial consultation supported the introduction of a reliability standard for the East Coast Gas System (**ECGS**). Gas-fired generators will be essential to maintaining the reliability and security of electricity supply during any shift away from coal-fired generation. The operators and owners of gas-fired generators must be confident they will have sound information about the availability of gas over operational and investment timeframes.



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Given the discussion in the Paper, CS Energy supports the direction of the Australian Energy Market Commission (**AEMC**). That direction is market-oriented, measured and recognises the gas and electricity industries have different physical characteristics and economic drivers.

Operational Timeframes

CS Energy therefore:

- supports the Paper's proposal that the Australian Energy Market Operator (**AEMO**) apply probabilistic methods to forecast risk and threat levels over twelve-month operational timeframes;
- agrees with revising the *National Gas Rules* to make the framework clearer and more objective;
- concurs with the AEMC that clear communication, coordination and cooperation between AEMO and industry participants is essential to obtaining proportionate responses to risks or threats; and
- agrees that information industry participants now provide to and capabilities held by AEMO are sufficient for AEMO to apply this framework.

Investment Timeframes

CS Energy agrees with the AEMC's observation in the Paper that although gas "market settings and spot prices can influence investment by signalling capacity constraints or arbitrage opportunities, it is unclear how material this impact is in practice" (p.20). The Paper also notes that the gas markets were established to improve short-run outcomes and not as drivers of long-term investment. We therefore support the Paper's proposals to improve the Gas Statement of Opportunities and for regular reviews of the market settings. These measures appear proportionate to the role of the regulated markets in signalling investment.

Governance

CS Energy's initial submission advocated that gas reliability and security be added to the responsibilities of the existing Reliability Panel established under the *National Electricity Law*, and that the Panel then acquire relevant gas expertise. Given the issues discussed in the Paper and above, as well as the legislative complexities attending that proposed reform, we support the creation of a Gas Reliability Committee under the *National Gas Rules*.

Industry participants are subject to increasing requirements to provide information to market institutions. It is not always possible for those participants to establish that rigorous cost-benefit analyses, including the burdens they create for businesses, have been conducted with results supporting the imposition of these requirements. We could not support additional information demands in the absence of sound and transparent cost-benefit analyses that show net benefits.

If you would like to discuss this submission, please contact Don Woodrow, Market Policy Manager, on either 0407 296 047 or dwoodrow@csenergy.com.au.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'A. Demaria', with a stylized flourish at the end.

Dr Alison Demaria
Head of Policy and Regulation