



25 September 2025

Anna Collyer
Chair
Australian Energy Market Commission

Submitted online: www.aemc.gov.au

Dear Ms Collyer

ECGS reliability standard and associated settings – Directions Paper

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the Australian Energy Market Commission's (AEMC) Directions Paper on the *East Coast Gas System (ECGS) Reliability standard and associated settings* rule change.

Origin broadly supports the approach outlined by the AEMC in the Directions Paper. While a formal gas reliability standard could have provided a clear trigger for Australian Energy Market Operator (AEMO) interventions, we acknowledge that it would have been very challenging to design a meaningful reliability metric that appropriately accounts for the unique structure / dynamics of the ECGS. In this context, we consider that the threat / risk signalling protocol proposed in the Directions Paper would be simpler to implement and could provide greater transparency of system risks and make AEMO's actions more predictable.

Our views on the new threat / risk signalling protocol and the other improvements to the gas reliability and security framework proposed by the AEMC, are set out below.

1. New threat / risk signalling protocol

The proposed threat / risk signalling protocol, if well designed, has the potential to address two deficiencies in the current framework, specifically:

- the existing rules and AEMO procedures do not sufficiently define what constitutes a system reliability risk / threat; and
- it is not clear under what circumstances AEMO will trade in gas or issue directions to market participants because there is no objective system shortfall threshold that must first be exceeded.

Clear descriptions of potential supply shortfalls, via the proposed protocol, could provide participants with a better understanding of the potential severity of risks / threats and give them greater certainty around the exercise of AEMO's intervention powers. This in turn may enable participants to better respond to system risks / threats.

Origin is generally supportive of AEMO being responsible for developing the key details underpinning the new protocol (such as, defining the specific warning tiers). However, it is important the following design considerations are addressed.

- We support the protocol being based on a probabilistic metric, as suggested in the Directions Paper. As we have previously noted, the gas system's reliance on a few key pieces of infrastructure means a deterministic approach (based on an 'N -X' contingencies) would not be practical, as it would likely show the market is in a constant reliability warning / emergency state.

- Timing will be a key design parameter that will need to be considered. For instance, drawing on the illustrative example provided in the Discussion Paper, in our view a 50% probability of supply not meeting demand (if no action is carried out) in nine months' time should not be considered an emergency.¹ This is given there would be considerable time available for the market to respond and address the potential risk / threat under that scenario. As such, we think the protocol should only be applied to operational timeframes.
- The AEMC should not explicitly link AEMO's trading / direction functions to the new protocol in the National Gas Rules (NGR). Although Origin supports improving the predictability of AEMO's interventions, it would not be appropriate for AEMO to be required to intervene in the market in response to alerts raised via this new and untested protocol. In time, once it has been demonstrated that the new protocol is fit for purpose, it may be appropriate for a direct link between AEMO interventions and the protocol to be made in AEMO procedures.
- In determining appropriate risk / threat protocol tiers AEMO should be required to undertake a formal stakeholder consultation process. AEMO should also be required to consult directly with the proposed Gas Reliability Committee to leverage the knowledge and experience of Committee representatives.

2. Independent committee to review facilitated market settings

Origin previously recommended expanding the remit of the Reliability Panel to allow it to also consider facilitated gas market settings. We maintain this approach would allow the interaction between electricity and gas markets to be better considered, and likely reduce the associated regulatory burden for industry / market bodies, as it may avoid the need for multiple review processes. To the extent the AEMC does not consider this could be achieved in a timely manner due to the need for an enabling law change, convening a Gas Reliability Committee (comprised of industry and user representatives) to periodically review market settings, could support a more transparent and coordinated approach to reviewing gas market settings.

We would encourage the AEMC to provide additional detail on the governance arrangements of the Committee, including the procedure for selecting representatives and the process for making decisions.

3. Amendments to the Gas Statement of Opportunities (GSOO) and Victorian Gas Planning report (VGPR)

The Directions Paper proposed a series of improvements to AEMO's GSOO and VGPR, including AEMO exploring the use of a probabilistic metric in its shortfall assessments. At a high level we support these improvements as they could potentially provide useful insights, however, we caution that:

- Any new / expanded reliability assessments that AEMO conducts should be based on existing information sources and public data. That is, AEMO should not seek additional data from participants, noting current participant reporting obligations are very extensive.
- While we appreciate the rationale behind requiring AEMO to assess a broader range of risks to system resilience, it is critical that AEMO's analysis focuses solely on those risks that are genuinely credible. AEMO should be mindful to avoid overly conservative modelling which could prompt unnecessary and costly market interventions.

¹ AEMC, *ECGS Reliability standard and associated settings – Directions Paper*, p. 13

If you wish to discuss any aspect of this submission further, please contact Thomas Lozanov at thomas.lozanov@originenergy.com.au.

Yours Sincerely,

A handwritten signature in black ink that reads "S Cole". The "S" is large and stylized, and "Cole" is written in a cursive script.

Shaun Cole
Group Manager, Regulatory Policy