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Australia's energy
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National Gas Amendment (ECGS Supplier of Last Resort) Rule Consultation Paper

APA Submission

30 October 2025



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

Lodged online

30 October 2025

RE: APA Submission to ECGS Supplier of Last Resort Consultation Paper

Dear Ms Collyer,

Thank you for the opportunity to comment on the AEMC's National Gas Amendment (ECGS Supplier of Last Resort) (SoLR) Rule 2025 Consultation Paper (the Consultation Paper). We support measures that will improve the reliability of gas supplies for customers.

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.

When designing a SoLR mechanism for the East Coast Gas Market (ECGM), it is very important that the market fundamentals that have underpinned the development of gas infrastructure across the east coast of Australia are preserved.

Commercial decision-making and contracting, rather than regulatory processes, has enabled the nimble and efficient expansion of infrastructure and ensured that gas gets to where it is needed. Given the vital role that gas will play during the energy market transition, it is essential that we maintain incentives for service providers to efficiently invest in and operate gas infrastructure. Any SoLR mechanism must be just that—a last resort mechanism that is utilised only in the event that the market is unable to supply gas where it is needed.

Our submission below addresses many of the questions raised in the Consultation Paper. 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 Regulation and External Policy

1. Submission

Key Points

- The incremental expansion of existing gas infrastructure remains the most efficient solution to ensure gas gets to where it is needed.
- Given the vital role that gas storage will play during the energy market transition, it is essential that we maintain incentives for service providers to efficiently invest in and operate gas infrastructure.
- Clarity is needed on how AEMO directions to transport gas will interact with existing GTAs
- The SoLR mechanism must be just that—a last resort mechanism that is utilised only in the event that the market is unable to supply gas where it is needed.

1.1. APA as a partner of choice in Australia's energy transition

APA is a leading ASX listed energy infrastructure business. Consistent with our purpose of securing Australia's energy future, our diverse portfolio of energy infrastructure delivers energy to customers in every Australian state and territory. For decades we have owned, operated, and maintained some of Australia's most important energy infrastructure.

Figure 1: APA's portfolio

Our diverse energy infrastructure portfolio

Gas infrastructure	Contracted power generation	Electricity transmission
 Transmission >15,000 km transmission pipelines	 Renewable energy 342 MW Wind 356 MW Solar 75 MW BESS	 >800 km high-voltage electricity transmission
 Storage 12,000 tonnes LNG 18 PJ gas	 Gas fired 884 MW	 including 290 km deep-sea cable
 Distribution >29,500 km gas mains and pipelines >1.5 million gas customers		

Our 15,000 kilometres of natural gas pipelines connect sources of supply and markets across mainland Australia. We operate and maintain networks connecting 1.5 million Australian homes and businesses to the benefits of natural gas. We also own or have interests in gas storage facilities and GPG.

We operate and have interests in 773 MW of renewable generation and battery storage infrastructure, while our high voltage electricity transmission assets connect Victoria with South Australia, New South Wales with Queensland and Tasmania with Victoria.

APA actively supports the transition to a lower carbon future. In August 2025, we published our FY25 Climate Report 2.0, detailing our progress against our Climate Transition Plan. This plan outlines our commitments to support Australia's energy transition and pathway to net zero operations emissions by 2050.

With our extensive portfolio of assets and expertise across gas, electricity and renewables, APA is well-placed to support the energy transition towards net zero. Our submission below provides views on many of the issues raised in the Consultation Paper.

1.2. The incremental expansion of existing gas infrastructure remains the most efficient solution to ensure gas gets to where it is needed

Gas infrastructure operators have a strong track record of delivering the necessary infrastructure to ensure customers have sufficient gas in the locations they need it.

To date, the incremental expansion of existing infrastructure has been the most efficient, timely and lowest cost solution to ensure that gas is delivered when and where it is needed. Gas retailers coordinate with producers to ensure they secure gas supplies and with pipeline operators to ensure they can transport gas from gas fields to their end customers.

Until a pipeline is fully compressed, adding compression to an existing pipeline to increase capacity is usually more cost effective than building a new pipeline and has far less delivery and investment risk. This means that the incremental expansion of the east coast grid is the most efficient solution to transport more gas from Queensland to meet forecasted shortfalls in southern markets.

1.2.1. APA's investment in the east coast market

In 2024 APA completed the second of the first two stages of East Coast Gas Grid (ECGG) expansion. These two stages delivered 25% additional capacity to the grid.

In February 2025, APA announced a five-year ECGG Expansion Plan to deliver an additional ~24% increase in north-to-south gas transport capacity and new southern markets storage to help ensure lower cost and lower emissions domestic gas is available to meet East Coast gas demand and to support the delivery of new gas-powered generation.

The ECGG Plan outlines Stages 3-5 of the plan, starting with near term projects which have already reached Final Investment Decision and will add new north-to-south gas transport capacity in 2025 and 2026:¹

¹ APA, *APA's East Coast Gas Expansion Plan*, 24 February 2025, <https://www.apa.com.au/news/asx-and-media-releases/apas-east-coast-gas-expansion-plan>

- APA has invested ~\$25 million to deliver the Moomba to Sydney Ethane Pipeline (MSEP) conversion project to provide an additional ~20 TJ/day from Moomba to Victoria or ~25 TJ/day to Sydney. Through the conversion to natural gas, the incremental MSEP capacity has increased the total southbound capacity from Moomba to Sydney from 565 TJ/day to 590 TJ/day.
- In 2026, APA will deliver two pressure regulation skids to increase capacity in summer months when specific sections of pipeline maintenance is being undertaken, increasing MSP summer capacity by between 80-120 TJ/day, supporting storage refill ahead of peak winter months.

The medium-term projects that are progressing with early works will add material further north-to-south gas transport capacity and storage:

- Stage three of the expansion focuses on building capacity to move ~24% more gas between northern basins and southern markets. This includes the proposed delivery of the Bulloo Interlink, a new 380km, 28-inch pipeline connecting the South West Queensland Pipeline (SWQP) to the Moomba to Sydney Pipeline (MSP), and two new compressors on the MSP.

On 28 October 2025 the AER published a draft decision to make a greenfields incentive determination for the proposed Bulloo Interlink Pipeline for 10 years. A greenfields determination would mean that the Bulloo Interlink cannot be subject to full regulation for the period of the determination.

- Stage four of the expansion focuses on the delivery of new storage capacity in winter 2028 and 2029, to support AEMO's forecast need for peaking gas-powered generation, as more variable renewable energy is added to the National Electricity Market
- Stage five of the expansion adds flexibility and amplifies the investments made in stage three and four, delivering capacity upgrades to the VTS.

Importantly, these expansions respond to increases in peak demand in southern markets. This demonstrates that peak demand and system resilience can be addressed by a range of alternative infrastructure and supply options provided by other parties, including storage or gas swaps, and not just by the business case of a single asset.

1.3. Maintaining market-based fundamentals

The expansion of the ECGG has been market driven. Across the east coast gas market, pipeline operators negotiate bilateral contracts with gas shippers, who then gain access to transmission capacity. This is known as the contract carriage model, which extends across the whole east coast gas market, except for the Declared Transmission System in Victoria.

Under this contract carriage model, short term and long-term contracts support the operation of the market and the efficient expansion of transmission pipelines and other

infrastructure when needed. Bilateral negotiation between parties drives investment, which is ultimately based on the needs of the customer.

Through this model, investment in expanded capacity can often be done in a timely manner. Expansions are based on what the market demands and for the cost and risk profile that the market accepts. AEMO's Gas Statement of Opportunities (GSOO) plays an important role in identifying gas shortfalls and acting as an investment signalling mechanism.

Commercial contracting, rather than regulatory processes, enables the nimble expansion of infrastructure and the appropriate allocation of risk between negotiating parties. Such a rapid response to the needs of the market is far less likely if non-scheme pipelines become subject to five yearly regulatory reviews through the Form of Regulation Review processes.

Given the vital role that gas storage will play during the energy market transition, it is essential that we maintain incentives for service providers to efficiently invest in and operate gas infrastructure.

When designing a SoLR mechanism for the east coast gas market, it is important that the market fundamentals that have underpinned investment are maintained. This means that existing contracts between pipelines, shippers and producers should not be impacted, and the process through which parties negotiate under the contract carriage framework must be maintained.

Furthermore, meeting any reliability standards should be driven through industry, via demand and contracting signals and the same ECGM mechanisms that have delivered investment to date. This will ensure the most cost efficient selection of supply and infrastructure solutions, delivery of new infrastructure and appropriate allocation of risk between contracting parties.

1.4. The SoLR mechanism must be utilised only in the event that the market is unable to supply gas where it is needed

We support the establishment of a tiered threat signalling framework that enables market participants to respond to emerging reliability risks before AEMO intervention is triggered. A structured approach — beginning with early warnings and escalating only when market responses prove insufficient — preserves the integrity of market-based mechanisms and ensures that AEMO intervention remains a measure of last resort. This approach will help preserve investment signals, maintain confidence in bilateral contracting, and allow infrastructure operators and shippers to coordinate timely solutions without unnecessary disruption.

To minimise the risk of any rule change influencing the contracting behaviour of market participants, the SoLR framework must be transparent and clearly defined. It is crucial that it is aligned with existing planning instruments, such as AEMO's GSOO, and other Stage 2 Reliability and Supply Adequacy mechanisms. By enabling proactive market

responses and ensuring that the SoLR mechanism is only used as a last resort, the SoLR can enhance system resilience without undermining market signals.

1.5. The Dandenong LNG interim arrangements demonstrate the importance of safeguards to avoid crowding out market participants

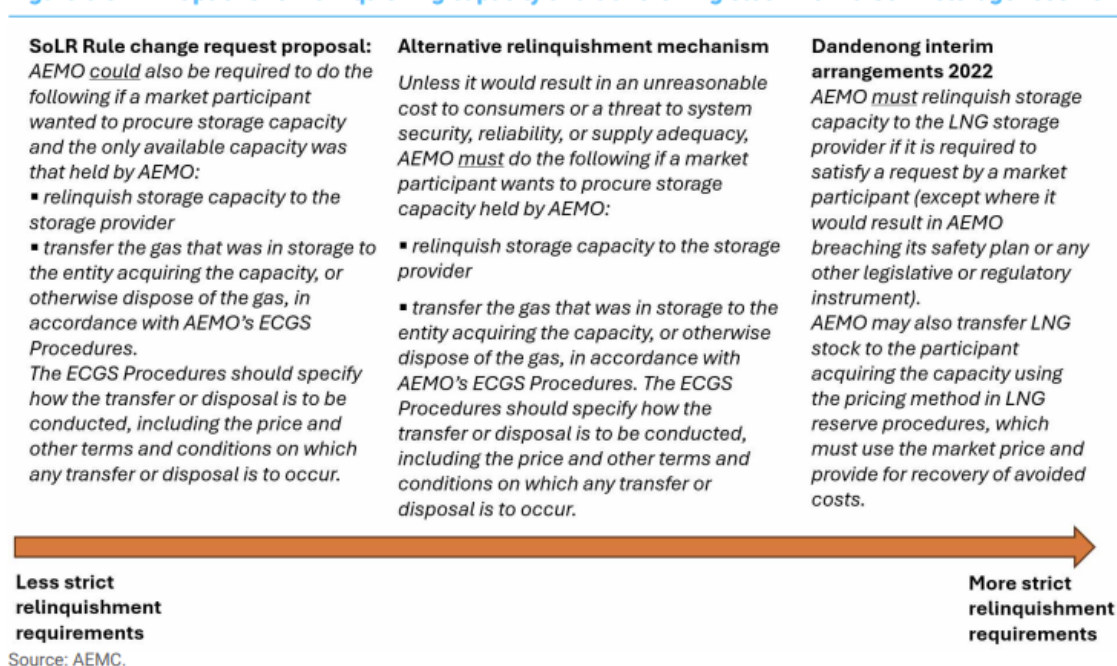
In December 2022 the AEMC made a final rule (2022 Rule) that required AEMO to act as both buyer and supplier of last resort in relation to the Dandenong LNG storage facility over the years 2023-25. In April 2025 the AEMC received a rule change request from the Hon Lily D'Ambrosio, Victorian Minister for Energy, seeking to extend the 2022 Rule by three years.

The 2022 Rule set out the contractual, cost recovery, accountability and transparency arrangements that apply to the buyer and supplier of last resort role. Importantly, the 2022 Rule also included additional steps to mitigate the risk that AEMO's SoLR role would crowd out market participants. These steps included the requirement for AEMO to relinquish capacity if it is required by a market participant.

Since 2022, both market participants and AEMO have contracted capacity at Dandenong LNG. As required by the 2022 Rule, AEMO has had an LNG storage contract in place with APA since early 2023 and has contracted any unutilised capacity from 1 March each year. In October 2025 a market participant entered into a long term contract for storage capacity at Dandenong LNG, which will require AEMO to relinquish some of its capacity and transfer stock to the market participant.

The Consultation Paper is seeking views on options for relinquishing capacity and transferring stock from a SoLR reserve, as outlined in Figure 6.3.

Figure 6.3: Options for relinquishing capacity and transferring stock from a SoLR storage reserve



To mitigate the risk of crowding out market participants, in our view the requirement for AEMO to relinquish gas or capacity to market participants should be mandatory, unless doing so would be contrary to the long term interests of gas consumers. Any discretion provided to AEMO should be as limited as possible to ensure that market signals are preserved.

1.6. Clarity is needed on how AEMO directions to transport gas will interact with existing GTAs

AEMO's ability to issue directions and contract reserves under the SoLR mechanism must be clearly defined to ensure it does not conflict with existing Gas Transportation Agreements (GTAs). These bilateral agreements between shippers and pipeline operators govern access to transmission capacity and have proven effective in driving timely, market-led investment. If AEMO is granted broad direction powers to override or reallocate contracted capacity during reliability events, it risks creating uncertainty and disrupting commercial relationships. This could, in turn, deter future third party contracting.

It is critical that the rule change clearly defines guard rails for AEMO's directions powers and their interaction with GTAs including protocols for reconciliation, compensation and dispute resolution.

ECGS Supplier of last resort mechanism

STAKEHOLDER FEEDBACK TEMPLATE

CHAPTER 2 – DEFINING THE PROBLEM

1. Defining the problem	
1. Do you agree that these are problems to be addressed by this rule change process?	We understand the motivation for developing a SoLR framework for the ECGM.

CHAPTER 3 – POLICY OPTIONS FOR A PROPOSED SOLR MECHANISM

2. Policy options	
1. What do you consider to be the best policy option outlined? Why?	We agree with the proponents that an integrated approach is the most efficient outcome. Signals for increasing supply/decreasing demand should be consistent.
2. Are there other potential benefits and costs of the policy options identified?	There are costs associated with enacting a supplier of last resort mechanism including: - Operational implementation costs (including cost of retraining staff to manage AEMO interaction). There are also benefits that we have identified including: - Clarity and publication of the compensation mechanism for demand response will lead to greater clarity and transparency
3. Are there any variations to the policy options outlined that would better address the problem?	No response

CHAPTER 4 – KEY DESIGN FEATURES OF A SOLAR MECHANISM

3. Principles to guide AEMO's use of a SoLR mechanism	
1. Should there be principles to guide AEMO's use of a SoLR mechanism?	Yes
2. What is the appropriate set of principles for the SoLR mechanism? Why?	We support the inclusion of the principle to not distort current market incentives, and recommend expanding it to more explicitly preserve the bilateral contracting model and maintaining incentives for third party contracting. Please see Section 1.3 of our submission for further detail.
3. Should these principles be mandatory or part of AEMO's broader discretion?	Mandatory

4. Do you have any views on how any principles should complement other more prescriptive obligations in the NGR or the ECGS Procedures?	NGR and ECGS should be complemented in a way that the rules clearly define key terms including "distortionary effect" and "maximum effectiveness."
Services AEMO could procure through a SoLR mechanism	
1. Should the NGR identify particular types of SoLR reserves AEMO could access? If so, what types of reserves?	Yes, we support the NGR identifying the particular types of SoLR reserves. The proposed services in the Consultation Paper are sufficient.
2. Which matters regarding the types of SoLR reserves are best left to the ECGS Procedures?	Definitions should be enshrined in the rules as far as possible.
Constraining AEMO's SoLR costs	
1. What are the interim and ongoing metrics that should be applied to constrain the amount AEMO pays when using the SoLR mechanism? Why?	No response.
Geographic and seasonal scope for a SoLR mechanism	
1. What is the relevant geographic scope for a SoLR mechanism?	In our view, any new reliability arrangements should aim to be as consistent as possible across the country. This applies in the context of both SoLR and directions powers. If elements of a reliability framework change at a notional point on a map, this could distort investment signals and have other unintended consequences.
2. Should a SoLR mechanism only be used for threats over winter or should it be available at any time of the year?	The SoLR mechanism should be available at any time of the year.

CHAPTER 5 – PRECONDITIONS AND TRIGGERS

4. Existing preconditions and triggers for AEMO intervention	
1. Do the existing NGL and NGR preconditions and trigger for the trading function lack transparency and clarity? Is this a significant issue? Why?	In the STTM, the contingency gas trigger event has sufficient information given to required participants. In the DWGM, a threat to system security has sufficient information given to required participants.
5. Using risk or threat signalling framework as a precondition	
1. Do you consider that a risk or threat signalling framework that uses tiers and a probabilistic metric would be a useful and relevant precondition for AEMO to decide whether to establish a SoLR reserve?	Gas infrastructure is very reliable. Because gas pipelines are underground, it is a very rare occurrence for network faults to disrupt customer supply. However, we agree that there is merit in a threat signalling mechanism, to send market signals about

2. If a tiered risk or threat signalling framework was used, what tiers and probabilities would be appropriate signals for making decisions on using a SoLR mechanism?	potential supply shortfalls to lead a market response. As outlined in our response to the Reliability Standard Directions Paper in September 2025, we agree that a probabilistic, rather than deterministic approach to assessing reliability is appropriate.
3. Would a tiered system of shortfall risk provide a clear signal to the market about when AEMO would consider whether to intervene?	As outlined in Section 1.3 of our submission, we agree that a market led response is the preferred outcome and AEMO intervention should be strictly used as a last resort.
Operational factors could form part of a trigger	
1. To what extent should the preconditions for a SoLR mechanism include operational factors? Why?	Inside facilitated markets, there are existing system security measures (such as STTM contingency gas mechanism, DWGM threat to system security notices), that incentivise or prompt a market response.
2. What operational conditions should be part of the trigger for a SoLR mechanism?	These should be used as preconditions for an SoLR mechanism, in line with the proponent's principle to have the least distortionary effect on operations
3. Are there any other factors or information that could provide greater transparency and predictability about how and when a SoLR mechanism could be triggered?	
AEMO's discretion under a trigger mechanism	
1. To what extent should AEMO retain some discretion as part of the trigger for SoLR? Why?	No response
The trigger for contingency gas in the STTM	
1. Should the trigger to use contingency gas in the STTM be separate and mutually exclusive from a SoLR mechanism in the ECGS? Why?	Please refer to previous responses in the above <i>"Operational factors could form part of a trigger"</i> section.
2. Are there any issues the AEMC should consider if an STTM contingency gas mechanism and an ECGS SoLR mechanism are to co-exist?	
3. Is guidance required (in the NGR or procedures) on the order of priority of market intervention tools? How much discretion should be provided to AEMO in its decisions on what tools to use?	
The trigger for intervening in the DWGM	
1. Should the trigger to intervene for system security reasons in the DWGM be amended if a SoLR mechanism for reliability and supply	The system security triggers in the DWGM are likely to be different to the reliability and supply adequacy triggers included in the SoLR mechanism. Given the different objectives, we consider that

adequacy threats is introduced for the ECGS? Why?	there are good reasons for maintaining different triggers and notice processes across the two frameworks.
2. Should the trigger for AEMO to use the Dandenong LNG storage facility be amended if a SoLR mechanism for the ECGS is introduced? Why?	It is important that there is no duplication or overlap across the two sets of triggers, with the SoLR being strictly a last resort.
3. Are there any issues the AEMC should consider if the DWGM intervention powers and an ECGS SoLR mechanism are to co-exist?	

CHAPTER 6 – OPERATING A SOLR MECHANISM

6. Key steps in operating a SoLR mechanism	
1. Do stakeholders see any additional steps not identified in the consultation paper that should be included in AEMO's use of a SoLR mechanism (if introduced)?	No
2. Does the operational sequence outlined in the consultation paper align with stakeholder expectations of how AEMO would use a SoLR mechanism?	Yes
Arrangements to transport gas to address a reliability threat	
1. Drawing on the issues and scenarios above, how do you think AEMO would acquire, transport and pay for gas through a SoLR mechanism?	Similar to arrangements in the DWGM, we recommend that AEMO set up arrangements to contract directly with facility operators in the event of procuring transport services.
2. To what extent should intermediaries be involved in transporting gas procured under the SoLR mechanism? Why?	Clarity is needed around proposed intermediary arrangements, and how the transport charges are incorporated.
3. Would using AEMO's directions power be appropriate for transporting gas procured under the SoLR mechanism? Why?	Operators of a transport facility should be responsible for transporting gas. This would support facility operator processes and BB reporting.
Conditions required to enter or vary reserve contracts	
1. What requirements should be in place to enable AEMO to enter into and vary contract conditions for a SoLR mechanism?	No response
2. Is publishing a reserve establishment notice a sufficient precondition for AEMO to enter into or vary a contract using a SoLR mechanism?	No response

How to relinquish capacity and transfer gas from a SoLR storage reserve	
1. To reduce risks of crowding out, should the NGR specify a mandatory, discretionary or hybrid approach to the relinquishment of capacity and transfer of gas for SoLR storage reserves?	We support the mandatory relinquishment of capacity and transfer of gas for SoLR storage reserves, consistent with the interim measures at Dandenong LNG. Please see Section 1.5 of our submission.
2. Which type of approach balances the need to minimise market distortion while supporting reliability and cost-effective outcomes for consumers?	
Buying and selling gas through facilitated markets	
1. Should a SoLR mechanism include requirements that AEMO bid to buy and offer to sell gas in the facilitated markets at the relevant market price cap?	Yes. Allowing AEMO to access facilitated market gas at non-market prices risks market distortion and could disincentivise a market response.
2. Should a SoLR mechanism include requirements regarding how AEMO buys and sells gas through the GSH and DAA? If so, is it appropriate to require AEMO to use a broker, or should additional or different requirements be imposed?	Yes, it is appropriate for AEMO to use a broker.
3. What, if any, requirements should be in place for AEMO buying and selling gas outside the DWGM, STTM, GSH or DAA?	Rules and guidelines for how to access the gas with minimal impact to contracted customers.

CHAPTER 7 – ADMINISTERED DEMAND RESPONSE

7. Role of demand response in gas market arrangements	
1. How responsive are gas users to price given underlying bilateral contracts or GSAs? What are the barriers to gas users reducing consumption based on higher prices?	The key barriers to voluntary reduction include operational constraints (such as the amount of gas safely able to curtail) and contractual MDQs that give firm pipeline capacity rights.
2. How do current market arrangements across the ECGS (both the facilitated markets and outside of those markets) enable gas users to reduce demand to meet supply? For example, in the STTM, how effective are MOS, MSV, and contingency gas arrangements in this respect?	

3. What are the barriers to reducing consumption using existing gas market arrangements?	
Using flexible demand to address supply shortfalls	
1. How much capacity could be made available through an administered demand response mechanism implemented across the ECGS?	No response
2. Does the potential amount of responsive demand vary between jurisdictions or is it evenly distributed across the ECGS?	Jurisdictions with larger industrial footprints that are easy to ramp up and down will offer more potential than regions of high peak day usage in smaller commercial and residential sectors.
3. Does the potential amount of responsive demand vary between seasons?	Responsive demand capacity will likely be higher outside winter peaks and concentrated during industrial operating hours. Storage refill and winter peaking will likely reduce available demand flexibility
Factors that may impact demand response participation	
1. What are the factors that could impact gas users' ability to participate in an administered demand response mechanism?	The transparency around cost recovery for participants and pipeline owners will be critical for participation.
2. What impact would the terms of gas supply and transport agreements have on gas users' ability to participate in an administered demand response mechanism? Would these contracts require amending to enable participation in demand response mechanism?	Existing contracts between pipelines, shippers and producers should not be impacted, and the process through which parties negotiate under the contract carriage framework must be maintained. Please see Section 1.3 of our submission.
3. Would an availability fee help overcome some barriers and enable greater participation in an administered demand response mechanism?	
4. Would an alternative approach of making demand response-relevant information available to AEMO enable it to make informed decisions that support a demand response in the ECGS?	
Potential designs for an administered demand response mechanism	
1. In reference to the outlined design options in Table 7.1, what potential design options could be successful for an ECGS administered demand response mechanism? Why?	Voluntary participation for large loads that have capacity to ramp down will be critical

2. Are there other design options the AEMC could consider?	Clear reconciliation and compensation protocols that respect GTA's – appropriate compensation for affected parties including shippers and pipeline operators where AEMO direction have altered contracted flows.
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CHAPTER 8 – COST RECOVERY AND PROCEEDS DISTRIBUTION

8. Removing the trading fund and its \$35 million cap	Under the proposed SoLR mechanism, it would be inefficient to keep the existing trading fund/mechanism.
1. Should the trading fund:	A well-functioning cost recovery and proceeds distribution mechanism may replace it effectively
A. be retained as is	
B. be retained in an amended form, and if so, what amendments should be made, or	
C. be removed and replaced with a cost recovery and proceeds distribution mechanism as proposed?	
Triggering the cost recovery and proceeds distribution process	
1. Do you consider that the appropriate trigger for using the cost recovery and proceeds distribution process is when AEMO establishes a SoLR reserve? Is there a more preferable alternative?	Cost recovery and proceeds distribution process should only be triggered at the final emergency tier, following market response windows. High level principles, tier definitions and triggers should be defined in the NGR.
2. Should guidance on using the cost recovery and proceeds distribution process be provided? Should this be through the NGR and/or AEMO procedures?	Reporting processes and timelines as well as operational considerations should be outlined in the ECGS Procedures
How costs could be allocated	
1. Do you agree with the proposed cost allocation methodology — that costs be recovered from relevant entities based on their share of gas demand at the locations where a SoLR reserve is established and in each month that the SoLR reserve is in place? Or are other alternative approaches preferred? Why?	The proposed cost allocation methodology has a risk that restricts it and will disadvantage facilities that can't turn off or ramp down. The proponents view will place too much weight on a facilities capacity to scale down.
2. Are there other benefits and costs of the proposed cost allocation method that the AEMC should consider?	
How proceeds could be distributed	

1. Do you agree with the proposed proceeds distribution methodology — that proceeds be distributed to relevant entities in a timely manner based on their share of gas demand at the locations where a SoLR reserve is established? Or are other alternative approaches preferred? Why?	We identify the same risk as in the previous response.
2. Are there other benefits and costs of the proposed proceeds distribution method that the AEMC should consider?	
Providing transparency about cost recovery and proceeds distribution	
1. Which aspects of the cost recovery and proceeds distribution process should be in the NGR, and which aspects should be in the ECGS Procedures to support transparency to market participants? Why?	It is appropriate for the process to sit in the ECGS Procedures.
Establishing financial separation for the SoLR mechanism	
1. Do you agree with the proposal that AEMO establish a separate financial account for its use of the SoLR mechanism? Why?	Yes, we agree a separate financial account for the SoLR mechanism is necessary to provide greater transparency and accountability in managing the SoLR mechanism.

CHAPTER 9 – PROVIDING TRANSPARENCY AND ACCOUNTABILITY

9. Improving the market notices to better inform the market	
1. Are the number of market notices and the information they contain provide appropriate transparency to market participants about AEMO's actions in using a SoLR mechanism?	We are comfortable with the proposed market notices and transparency measures.
2. Are the potential links between the risk and threat signalling levels and the SoLR-related market notices appropriate?	
Publishing a post-intervention report	
1. Should AEMO be required to publish a post-intervention report within one month of an intervention in the market?	We are comfortable with the proposed market notices and transparency measures.
2. Should AEMO also have the discretion to provide a supplementary report at the four-month mark, if it considers it would be appropriate?	

Publishing biannual reports	
1. Would regular reporting from AEMO on its market intervention activities (in addition to postintervention reports) be valuable to market participants?	We are comfortable with the proposed market notices and transparency measures.
2. If so, should AEMO be required to report on its SoLR activities on an annual or biannual basis?	
Reporting to energy ministers and affected jurisdictions	
1. Should AEMO continue to be required to provide an annual report to energy ministers about any SoLR activities, if the proposed additional reporting requirements are introduced?	We are comfortable with the proposed market notices and transparency measures.

CHAPTER 10 – IMPLEMENTING A SOLR MECHANISM

10. Implementation costs	
1. Do you have any concerns about the implementation costs of AEMO procedures and/or guidelines?	No response
2. Are there other implementation costs the AEMC should consider and is there a way to minimise them?	
Closing the trading fund	
1. Do you agree with the proposed approach to closing the trading fund?	Under the proposed SoLR mechanism, it would be inefficient to keep the existing trading fund/mechanism.
2. Are there any other issues that may arise in a transition away from the trading fund that the AEMC should consider?	
Updating ECGS procedures and guidelines	
1. Is the proposed six months for updating ECGS procedures and guidelines achievable? What impact could this timeframe have on AEMO and market participants?	No response
2. If a six-month timeframe is not appropriate, what should be the alternative timeframe and/or approach?	
3. Are there other processes or information (in addition to those identified by the proponents) that AEMO should include in its procedures or guidelines? Why?	

Changing the Dandenong LNG interim arrangements	
1. What are your views on how a SoLR mechanism should apply to the DWGM Dandenong LNG storage facility arrangements?	Please see section 1.5
2. Should the current Dandenong LNG interim arrangements cease as anticipated in 2029, leaving AEMO to use the ECGS SoLR mechanism to address reliability and supply adequacy threats for the DWGM? What issues should the AEMC consider to achieve this?	
3. Should an ECGS SoLR mechanism and the DLNG arrangements co-exist? What changes to the current DLNG arrangements, and the proposed design of the SoLR mechanism, would be required in this case?	