

Objection Submission to AEMC National Gas Amendment (ECGS Supplier of last resort mechanism) Rule.

Proponents:

Energy Senior Officials

Victorian Minister for Energy and Resources

'Save Our Surroundings Riverina' objects to the National Gas Amendment (ECGS Supplier of last resort mechanism) Rule Change Request from Proponents:

Energy Senior Officials

Victorian Minister for Energy and Resources.

The proposed "Supplier of Last Resort" (SoLR) rule would give AEMO sweeping power to intervene in the gas market whenever supply or demand issues arise that private companies cannot resolve. While it's framed as a safety net, in practice it:

- *Significantly expands AEMO's authority over the market,
- *Allows access to \$35 million of public funds with minimal oversight,
- *Blurs accountability around when and why interventions happen,
- *Sets a precedent for government-managed energy markets, undermining free-market mechanisms that keep energy costs competitive.

If implemented, this change would let governments intervene directly, influence pricing indirectly, and recover costs from consumers — effectively socialising risk and inflating prices.

Centralised, Autocratic Energy Control

This SoLR proposal is part of a broader centralisation of energy control:

- *Stage 1 of the Reliability and Supply Adequacy reforms gave AEMO enhanced monitoring powers,
- *Stage 2 (this proposal) grants direct intervention authority,
- *Stages 3 and 4 are likely to extend these powers further — potentially merging emergency response with climate or emissions policy, so "supply risk" could eventually include political or environmental triggers.

Like other recent energy reforms, it is under-publicised and framed as "stability," but it consolidates control of Australia's energy system under government-aligned agencies. Incremental rule changes rather than legislation mean there is less scrutiny and public debate which is undemocratic and has no social licence.

- *AEMO would act as both referee and player, managing and trading in the market,
- *The \$35 million trading fund has few restrictions on use,
- *What is sold as a "safety net" quietly shifts market power from private operators to a central authority.

Answers to Consultation Questions

1. Defining the problem

The proposed rule change will centralise AEMO authority, undermining market accountability; failures in the private sector will be covered up by public funds.

2. Policy options

The preferred policy option will expand discretionary powers and create an overbuilt, politically influenced, very costly gas backbone; stranded assets will increase costs for consumers and industry.

3. Principles for AEMO SoLR

Without strict checks, principles will be ignored; AEMO will intervene based on political objectives, not genuine reliability.

4. Types of SoLR reserves

Defining SoLR reserves will lock in reliance on CCP-linked and politically motivated infrastructure; market manipulation will occur.

5. Constraining costs

Cost metrics will fail; \$35M trading fund will be spent on inefficient or politically aligned projects, passing costs to consumers.

6. Geographic/seasonal scope

Broad or unlimited scope will prioritise infrastructure aligned with the CCP's treacherous Belt & Road interests rather than market efficiency.

7. Existing preconditions/triggers

Current triggers will be opaque; AEMO interventions will occur with minimal transparency, enabling costly mismanagement.

8. Risk/threat signalling framework

Tiered risk framework will be manipulated to justify interventions favoring politically-aligned gas projects.

9. Operational factors in triggers Operational triggers will allow interventions that protect specific infrastructure rather than respond to real supply threats.

10. AEMO discretion

High discretion will let AEMO favor overbuilt and CCP influenced infrastructure; accountability

will be minimal.

11.STTM contingency gas

STTM triggers will subsidise Cheung Kong controlled AGIG/AGN gas projects, inflating costs and embedding reliance on geopolitically risky infrastructure.

12.DWGM interventions

DWGM triggers will overlap with SoLR, reinforcing the costly gas backbone and CCP controlled storage, locking in inefficient, unaffordable and insecure, sabotaging projects.

13.Key steps for SoLR operation Operational steps will prioritise politically backed interventions rather than actual market reliability, exposing consumers to higher costs.

14.Gas transport arrangements

Use of AEMO direction powers will favor Cheung Kong and CCP controlling pipelines/storage, increasing systemic CCP control over critical energy infrastructure.

15.Conditions for entering/varying contracts

Contract conditions will be set to favor large politically-aligned suppliers; transparency will remain limited.

16.Relinquishing capacity / transferring gas

Relinquishment rules will inadequately prevent market crowding out; politically favored storage will dominate.

17.Buying/selling through markets AEMO trading in facilitated markets will distort prices, favoring overbuilt and CCP Belt & Road-linked projects.

18.Role of demand response

Demand response arrangements will fail to reduce costs or reliance on expensive infrastructure, masking real supply issues.

19.Flexible demand for supply shortfalls Administered demand response will be insufficient to counteract politically driven interventions; seasonal/geographic variation will exacerbate costs.

20.Factors affecting demand response

Supply/transport contracts will restrict meaningful participation; availability fees will be insufficient to prevent market distortions.

21.Design of administered demand response

Proposed design options will protect overbuilt politically-aligned assets rather than deliver cost-

effective outcomes.

22.Removing / amending trading fund Retaining or replacing the fund will embed government and AEMO control over market spending; consumers will bear ever escalating costs.

23.Triggering cost recovery/proceeds Cost recovery process will automatically shift political intervention costs to consumers without independent oversight.

24.Allocating costs

Allocation methodology will unfairly burden private industry while propping up CCP-linked infrastructure.

25.Proceeds distribution

Proceeds methodology will favor politically aligned players; transparency will remain insufficient.

26.Transparency of cost recovery

Lack of procedural clarity will allow politically motivated spending to continue unchecked.

27.Financial separation

Creating a separate account will mask spending on the CCP's Belt & Road - fake green 'renewable' energy poverty projects; consumer costs will continue to rise exponentially causing austerity and hardship with deindustrialisation resulting.

28.Market notices

Market notices will fail to provide real-time transparency; interventions will remain opaque and politicised.

29.Post-intervention report

Post-intervention reports will be minimal; additional reporting will be discretionary and biased.

30.Biannual reporting

Regular reporting will fail to prevent misallocation of resources to overbuilt and CCP prioritised projects.

31.Reporting to energy ministers Ministerial reports will legitimise interventions while failing to address actual market risk or insecure control by the hostile CCP.

32.Implementation costs

Implementation costs will be significant; industry and consumers will bear torturous financial burdens while politically favored projects are supported.

33.Closing the trading fund

Transition away from trading fund will embed new cost recovery mechanisms that still favor politically aligned infrastructure.

34.Updating procedures/guidelines Six-month update timeframe will be insufficient to prevent rushed rules that favor insecure, CCP linked, Cheung Kong dominated control of gas projects.

35.Dandenong LNG arrangements

Co-existence with SoLR will normalise expensive politically-backed, insecure and sabotaging, CCP linked storage projects; reliance on DWGM LNG will increase systemic risk.

36.Assessment framework

Assessment criteria will favor interventions that protect overbuilt, CCP linked, sabotaging infrastructure; catastrophic failures will occur if unchecked.