



Draft National Gas Amendment (ECGS Supplier of Last Resort) Rule 2026

The Australian Energy Market Commission makes the following Rule under the National Gas Law to the extent applied by:

- (a) the *National Gas (South Australia) Act 2008* of South Australia;
- (b) the *National Gas (ACT) Act 2008* of the Australian Capital Territory;
- (c) the *National Gas (New South Wales) Act 2008* of New South Wales;
- (d) the *National Gas (Queensland) Act 2008* of Queensland;
- (e) the *National Gas (Tasmania) Act 2008* of Tasmania;
- (f) the *National Gas (Victoria) Act 2008* of Victoria;
- (g) the *National Gas (Northern Territory) Act 2008* of the Northern Territory; and
- (h) the *Australian Energy Market Act 2004* of the Commonwealth.

Anna Collyer
Chairperson
Australian Energy Market Commission

Draft National Gas Amendment (ECGS Supplier of Last Resort) Rule 2026

1 Title of Rule

This Rule is the *Draft National Gas Amendment (ECGS Supplier of Last Resort) Rule 2026*.

2 Commencement

Schedule 1 of this Rule commences operation on 1 April 2027, immediately after the commencement of Schedule 1 of the *Draft National Gas Amendment (ECGS Enhancing reliability and supply adequacy arrangements) Rule 2026*.

Schedule 2 of this Rule commences operation on 16 July 2026, immediately after the commencement of Schedule 3 of the *Draft National Gas Amendment (ECGS Enhancing reliability and supply adequacy arrangements) Rule 2026*.

3 Amendment to the National Gas Rules

The National Gas Rules are amended as set out in Schedule 1.

4 Amendment to the National Gas Rules

The National Gas Rules are amended as set out in Schedule 2.

Schedule 1 Amendment to the National Gas Rules

(Clause 3)

[1] Rule 135C Definitions

In rule 135C, in the definition of "**east coast gas system reliability costs**", omit "and includes the costs borne by AEMO under rules 706(5) and 709" and substitute "but excludes AEMO SOLR costs as defined in rule 680".

[2] Rule 135CA Development of participant fee structure

In rule 135CA(4)(b)(iia), after "east coast gas system reliability costs, omit "and funding the trading fund under Part 27".

[3] Rule 135CF Budgeted revenue requirements

In rule 135CF, omit subrule 135CF(2)(cc).

[4] Rule 135EA Matters about which Procedures may be made

After rule 135EA(4)(e), insert:

- (e1) Supplier of Last Resort gas supply and withdrawals under rule 450A(3);

[5] Rule 135EA Matters about which Procedures may be made

In rule 135EA(7)(f1), before "the matters required", insert "each of".

[6] Rule 135EA Matters about which Procedures may be made

In rule 135EA(7)(f1), omit "risk or threat assessment procedures" and substitute "Procedures".

[7] Rule 140C Definitions

In rule 140C, in the definition of "**market settings**", omit "and the STTM market settings" and substitute ", the STTM market settings and the SOLR service price limit (as defined in rule 699A)".

[8] Rule 206 Gas scheduling

After rule 206(4), in the **Note**, after "rule 285", insert "and SOLR service contracts under rule 286D".

[9] Subdivision 2A Gas injections when AEMO is acting as Supplier of Last Resort

After rule 286C, insert:

Subdivision 2A Gas injections when AEMO is acting as Supplier of Last Resort

286D Injection of Supplier of Last Resort gas

- (1) Subject to subrules (2) and (3), where AEMO, acting in its capacity as Supplier of Last Resort under Part 27, wishes to arrange for a SOLR service supplier to inject gas under a SOLR service contract, then AEMO may, in any relevant year:
 - (a) include the quantity to be injected in the applicable operating schedule and where applicable, pricing schedule; or
 - (b) use other means available to it to arrange for injection of gas by a SOLR service supplier or sourced from a SOLR service contract.
- (2) AEMO must not include gas sourced from a SOLR service contract in a pricing schedule unless:
 - (a) all available Market Participant bids have already been scheduled (but allowing for rounding to whole GJs); and
 - (b) the market price in the pricing schedule would otherwise have been at VoLL.
- (3) If AEMO includes gas sourced from a SOLR service contract in a pricing schedule or operating schedule, it must include the gas at a price equal to VoLL.
- (4) The gas scheduling procedures must contain procedures relating to the injection of gas by a SOLR service supplier under a SOLR service contract.
- (5) Without limiting subrule (4), the gas scheduling procedures:
 - (a) must explain the steps AEMO will take to ensure that where it proposes to include gas sourced from a SOLR service contract in a pricing schedule or operating schedule, the gas will only be scheduled in accordance with subrules (2) and (3);
 - (b) may allow AEMO, acting in its capacity as Supplier of Last Resort under Part 27, to do any of the following:
 - (i) authorise a SOLR service supplier to use injection bids and accreditation as a means by which gas sourced from a SOLR service contract is incorporated into a pricing schedule or an operating schedule; and

- (ii) impose conditions in relation to the scheduling of gas sourced from a SOLR service contract.

(6) In this rule each of the following terms has the meanings given in rule 680:

SOLR service contract;

SOLR service supplier; and

Supplier of Last Resort.

[10] Division 8A Gas supply and withdrawal when AEMO is acting as Supplier of Last Resort

After rule 450, insert:

Division 8A Gas supply and withdrawal when AEMO is acting as Supplier of Last Resort

450A Supply and withdrawal of Supplier of Last Resort gas

- (1) AEMO may at any time, acting in its capacity as Supplier of Last Resort in accordance with Part 27, arrange for a SOLR service supplier to supply gas to or withdraw gas from a hub for a gas day to address a tier 3 threat, subject to this rule 450A.
- (2) If AEMO arranges for a SOLR service supplier to supply gas to or withdraw gas from a hub for a gas day under subrule (1), it must do so in accordance with the procedures made by AEMO under subrule (4).
- (3) AEMO must not include gas sourced from a SOLR service contract in an ex ante market schedule for the hub for the gas day unless:
 - (a) all available Trading Participant ex ante offers and ex ante bids have already been scheduled (but allowing for rounding to whole GJs);
 - (b) the ex ante market price in the ex ante market schedule would otherwise have been at MPC; and
 - (c) the gas sourced from a SOLR service contract is included in the ex ante market schedule at a price equal to MPC.
- (4) AEMO must make STTM Procedures addressing:
 - (a) the manner in which supplies and withdrawals of gas are made by a SOLR service supplier and arranged by AEMO under this rule for a hub for a gas day;
 - (b) the manner in which the ex ante market price and the ex ante market schedule are determined for a hub for a gas day; and
 - (c) any adjustments required to the SPA,

in order to give effect to subrule (3).

- (5) Without limiting subrule (4), the STTM Procedures:
- (a) must explain the steps AEMO will take to ensure that where it proposes to include gas sourced from a SOLR service contract in an ex ante market schedule, the gas will only be scheduled in accordance with subrule (3); and
 - (b) may allow AEMO, acting in its capacity as Supplier of Last Resort under Part 27, to do any of the following:
 - (i) authorise a SOLR service supplier to use ex ante offers as a means by which gas sourced from a SOLR service contract is incorporated into an ex ante market schedule; and
 - (ii) impose conditions in relation to the scheduling of gas sourced from a SOLR service contract.
- (6) In this rule each of the following terms has the meaning given in rule 680:

SOLR service contract;

SOLR service supplier;

Supplier of Last Resort; and

tier 3 threat.

[11] Rule 680 Interpretation

In rule 680, insert the following new definitions in alphabetical order:

activate means, in respect of a SOLR service contract, the exercise by AEMO of any rights or entitlements available to it under the contract in accordance with rule 699J(1).

administered demand response means the reduction in consumption of covered gas at a *receipt or delivery point* in response to a request or instruction from AEMO under a SOLR service contract, in accordance with Procedures made by AEMO under rule 699D(3).

AEMO SOLR costs means:

- (a) amounts paid by AEMO under SOLR service contracts; and
- (b) costs and expenses incurred by AEMO in connection with the relinquishment or termination of SOLR service contract under rules 699K and 699L.

AEMO SOLR proceeds means all amounts paid or credited to (or earned or received by) AEMO acting as the Supplier of Last Resort under Division 4B.

end of SOLR activation notice means a notice that AEMO has ceased activating a SOLR service contract and which is published by AEMO in accordance with rule 696B(5).

related entity has the same meaning in respect of a relevant entity as the definition of “related entity” in the *Corporations Act 2001* has in respect of a body corporate.

SOLR principles means the principles set out in rule 699A.

SOLR service contract means a contract which AEMO enters into with a person in relation to any one or more of the matters specified in rule 699C in order to address a tier 3 threat.

SOLR service supplier means a person with whom AEMO enters into a SOLR service contract.

SOLR Procedures means Procedures governing the tenders for, establishment, activation, relinquishment and termination of SOLR service contracts, and the initial and detailed post-SOLR activation reports, to be made by AEMO under rule 699D(1) and other rules in this Part where specified.

Supplier of Last Resort means AEMO exercising the function under section 91AD(1)(f) of the *NGL* in accordance with Divisions 4, 4A and 4B, in order to address a tier 3 threat:

- (a) identified in a risk or threat notice issued under rule 695; and
- (b) for which, in AEMO’s opinion, there has been no adequate industry response and AEMO’s other functions would be insufficient.

[12] Rule 680 Interpretation

In rule 680, in the definition of "**adequate industry response**", subrule (a), after "AEMO's other functions;", omit "or".

[13] Rule 680 Interpretation

In rule 680, in the definition of "**adequate industry response**", subrule (b), omit "a direction or trading function." and substitute "its direction function; or".

[14] Rule 680 Interpretation

In rule 680, in the definition of "**adequate industry response**", after subrule (b), insert:

- (c) AEMO acting as the Supplier of Last Resort.

[15] Rule 680 Interpretation

In rule 680, in the definition of "**AEMO’s other functions**", omit "a direction or trading function", and substitute "its direction function".

[16] Rule 680 Interpretation

In rule 680, in the definition of "AEMO's other functions", after "direction function", insert "or AEMO acting as the Supplier of Last Resort".

[17] Rule 680 Interpretation

In rule 680, in the definition of "direction or trading function", at the start of the text, after "direction", omit "or trading".

[18] Rule 680 Interpretation

In rule 680, in the definition of "direction function", after "specified in section 91AD(1)(e)", omit "or (f)".

[19] Rule 680 Interpretation

In rule 680, in the definition of "direction or trading notice", after "direction", omit "or trading".

[20] Rule 680 Interpretation

In rule 680, omit the definition of "trading function".

[21] Rule 681B Determination of regions

In rule 681B(1)(b), at the end of the text, omit "and".

[22] Rule 681B Determination of regions

In rule 681B(1)(c), after "the PASA under Division 2", omit "." and substitute "; and".

[23] Rule 681B Determination of regions

After rule 681B(1)(c), insert:

- (d) for the allocation of AEMO SOLR costs and AEMO SOLR proceeds under Division 7.

[24] Rule 694A Assessment and classification of an identified risk or threat

In rule 694A(3), omit "a direction or trading function", and substitute "its direction function".

[25] Division 4 Exercise of east coast gas system reliability and supply adequacy functions

In the heading, at the start of the text, omit "Exercise" and substitute "Publication and variation of notices relating to the exercise".

[26] Rule 695 Publication of risk or threat notices

In rule 695(3), omit "a direction or trading function", and substitute "its direction function".

[27] Rule 696 Variation or revocation of risk or threat notices

In rule 696(3)(d), after "the risk or threat notice", omit "." and substitute "; or".

[28] Rule 696 Variation or revocation of risk or threat notices

After rule 696(3)(d), insert:

- (e) include the information specified in rule 696B(5).

[29] Rule 696A Notice of latest practicable time for an adequate industry response

In rule 696A(1), after "need for AEMO to", insert "act as the Supplier of Last Resort or".

[30] Rule 696A Notice of latest practicable time for an adequate industry response

In rule 696A(1), omit "a direction or trading function", and substitute "its direction function".

[31] Rule 696A Notice of latest practicable time for an adequate industry response

In rule 696A(4), omit "its direction or trading function or" and substitute "its direction function, its function as Supplier of Last Resort (subject to rule 696B) or".

[32] Rule 696A Notice of latest practicable time for an adequate industry response

In rule 696A(5), omit "a direction or trading function" and substitute "its direction function".

[33] Rule 696A Notice of latest practicable time for an adequate industry response

In rule 696A(5), omit "those functions" and substitute "that function".

[34] Rule 696B Information on AEMO acting as Supplier of Last Resort

After rule 696A, insert:

696B Information on AEMO acting as Supplier of Last Resort

- (1) Subject to subrule (3), AEMO may specify in a notice under rule 696A(1) that AEMO intends to tender for SOLR service contracts in accordance with Division 4B to address the relevant tier 3 threat. The specification must include the following information:
 - (a) the reasons for AEMO establishing SOLR service contracts;
 - (b) the nature and expected magnitude, timing, duration and location of the tier 3 threat;
 - (c) the types of SOLR service contracts AEMO is considering or seeking to establish in order to address the tier 3 threat; and
 - (d) the actions or circumstances AEMO considers would constitute an adequate industry response in relation to the tier 3 threat.
- (2) Subject to subrule (3), AEMO may specify in a notice under rule 696A(3) that AEMO intends to activate SOLR service contracts in accordance with Division 4B to address the relevant tier 3 threat. The specification must include the following information:
 - (a) any updates to the nature, magnitude, timing, duration and location of the tier 3 threat;
 - (b) the types of SOLR service contracts AEMO may activate; and
 - (c) the circumstances that may cause AEMO to activate the SOLR service contracts.
- (3) AEMO may only specify that it intends to tender for SOLR service contracts under subrule (1), or activate SOLR service contracts under subrule (2), if it has determined that AEMO's other functions would not be available, or would be insufficient, to address the tier 3 threat.
- (4) AEMO must inform the Ministers of relevant participating jurisdictions of:
 - (a) AEMO's intention to tender for SOLR service contracts, prior to or at the same time as publishing the information under subrule (1); and
 - (b) AEMO's intention to activate SOLR service contracts and the expected costs of doing so, prior to or at the same time as publishing the information under subrule (2).
- (5) Upon ceasing or as soon as practicable after AEMO has ceased to activate SOLR service contracts in respect of a tier 3 threat, AEMO must specify

this in a notice under rule 696. The specification must include the following information:

- (a) the circumstances that caused AEMO to activate the SOLR service contracts;
- (b) for each type of SOLR service contract that AEMO activated:
 - (i) the extent to which it contributed to addressing or mitigating the tier 3 threat; and
 - (ii) the period during which it was activated; and
- (c) AEMO's planned use for any SOLR service contracts which were not fully utilised in addressing the tier 3 threat including relinquishment or termination under rule 699K or rule 699L.

[35] Rule 697 Publication of direction or trading notices

In the heading of rule 697, omit "or trading".

[36] Rule 697 Publication of direction notices

In rule 697(1), omit "the exercise of a direction or trading function" and substitute "exercising its direction function".

[37] Rule 697 Publication of direction notices

In rule 697(1), after "a notice (a direction", omit "or trading".

[38] Rule 697 Publication of direction notices

In rule 697(2), at the start of the text, after "A direction", omit "or trading".

[39] Rule 697 Publication of direction notices

In rule 697(2)(a), omit "of the function" and substitute "of the direction function".

[40] Rule 697 Publication of direction notices

In rule 697(2)(b), omit "of the function" and substitute "of the direction function".

[41] Rule 697 Publication of direction notices

In rule 697(2)(c), omit "exercised the function" and substitute "exercised the direction function".

[42] Rule 697 Publication of direction notices

In rule 697(3), after "revocation of a direction", omit "or trading".

[43] Rule 697 Publication of direction notices

In rule 697(3)(a), omit "the function" and substitute "the direction function".

[44] Rule 697 Publication of direction notices

In rule 697(3)(b), omit "the function" and substitute "the direction function".

[45] Rule 698 Publication of post-intervention reports

In rule 698, omit the heading and the contents and substitute "[Deleted]".

**[46] Rule 699 Matters AEMO must consider in
determining whether to exercise direction
or trading functions**

In rule 699, omit the heading and the contents and substitute "[Deleted]".

**[47] Division 4A Supplier of last resort principles and
Procedures**

After rule 699, insert:

**Division 4A Supplier of last resort principles and
Procedures**

**699A Matters AEMO must consider in determining whether to
act as Supplier of Last Resort**

- (1) AEMO must have regard to the SOLR principles in determining whether (and if so, how) to act as the Supplier of Last Resort.
- (2) The SOLR principles are that AEMO's actions as the Supplier of Last Resort should:
 - (a) be those which AEMO expects, acting reasonably, to have the least distortionary effect on the operation of the east coast gas system;
 - (b) aim to maximise the effectiveness of AEMO's actions to address the threat to the reliability or adequacy of the supply of covered gas within the east coast gas system at the least cost to end users;
 - (c) not result in the contract per GJ price payable by AEMO under a SOLR service contract exceeding the SOLR service price limit;
 - (d) to the extent practicable, be consistent with the *targets statement*; and
 - (e) not compromise safety.
- (3) For the purposes of subrule (2)(c):

- (a) **contract per GJ price** means, in respect of a SOLR service contract, an amount calculated in accordance with the following formula:

$$\frac{X+(Y \times Z)}{Z}$$

where:

X is the aggregate of all fixed amounts payable by AEMO under the contract;

Y is the price per gigajoule (**GJ**) payable by AEMO under the contract for each GJ of covered gas supplied or sold to AEMO under the contract; and

Z is the total GJ volume of covered gas or administered demand response that AEMO is entitled to direct the SOLR service supplier to provide under the contract.

- (b) **SOLR service price limit** means:

- (i) the VoLL, as defined in rule 200; or
- (ii) if a different SOLR service price limit is determined and published by the AEMC as a market setting under rule 140J, that figure.

- (4) Nothing in this Part limits the exercise of AEMO's functions under these rules in respect of wholesale gas markets.

699B Acting as Supplier of Last Resort at any time and across ECGS

AEMO may act as the Supplier of Last Resort at any time of year in respect of any location in the east coast gas system.

699C SOLR service contracts available to AEMO

For the purposes of this Part, AEMO may enter into one or more contracts, with any one or more persons, for those persons to provide any one or more of the following services:

- (a) the sale or supply of covered gas;
- (b) pipeline services (including transportation, delivery or haulage of covered gas and pipeline capacity related services);
- (c) storage of covered gas; and
- (d) administered demand response,

in accordance with the Procedures developed under rule 699D.

699D SOLR service contract establishment and activation Procedures

- (1) AEMO must make Procedures governing the establishment and activation of SOLR service contracts in accordance with this Division.
- (2) The SOLR Procedures made by AEMO must provide for the following matters in connection with the establishment and activation of SOLR service contracts under this Division and Division 4B:
 - (a) the competitive tender process AEMO is to undertake in identifying SOLR service suppliers and entering into SOLR service contracts with them, which must be consistent with the competitive tender process objective in rule 699E, addressing:
 - (i) the information SOLR service suppliers must provide to AEMO in responding to any such tendering and contracting process;
 - (ii) the competitive tender process eligibility criteria requirements in rule 699F; and
 - (iii) the tender process rules to be developed in accordance with rule 699G;
 - (b) any other requirements and information AEMO considers necessary to facilitate tendering for or entering into SOLR service contracts with SOLR service suppliers; and
 - (c) assessment criteria, which must be consistent with the SOLR principles, that AEMO will use in determining:
 - (i) which SOLR service contracts to establish; and
 - (ii) which services under a SOLR service contract to activate, in order to address or mitigate a tier 3 threat; and
 - (d) the processes and steps required for the establishment and activation of SOLR service contracts under Division 4B, which must not be inconsistent with anything in the Part.
- (3) The SOLR Procedures made by AEMO must also provide for the following matters in connection with tendering for and the activation of administered demand response at *receipt or delivery points* under SOLR service contracts:
 - (a) technical and operational requirements to be met or implemented for activating and verifying administered demand response at *receipt or delivery points*;
 - (b) information, technology and system requirements for the provision and measurement of administered demand response;
 - (c) methodologies, processes and applicable industry standards (as determined by AEMO) to be used for determining verifiable:

- (i) baseline covered gas consumption levels at administered demand response *receipt or delivery points*, during periods when administered demand response is not activated;
- (ii) levels of administered demand response provided when AEMO activates administered demand response; and
- (d) any other requirements and information as determined by AEMO in connection with the provision of administered demand response.

699E Competitive tender process – objective

When developing and conducting a competitive tender process and the associated tender process rules, AEMO must take into account the following objective, being that the process is intended to:

- (a) promote competition for the opportunity to enter into a SOLR service contract, including as to the services included in a SOLR service contract and their price; and
- (b) enable AEMO to make an informed decision about which service or combination of services would prevent, reduce or mitigate an identified tier 3 threat.

699F Competitive tender process – eligibility criteria

- (1) When developing and conducting a competitive tender process, AEMO must include and give effect to eligibility criteria that satisfy the requirements of this rule.
- (2) The eligibility criteria must include:
 - (a) criteria for bidders and, where relevant, for their related entities, including with respect to financial and technical capabilities and legal status;
 - (b) service eligibility criteria to ensure that services can provide a solution, within a particular time, to address an identified tier 3 threat;
 - (c) criteria to ensure that the services sought to be provided under SOLR service contracts will be made available in accordance with the requirements of this Part; and
 - (d) criteria which require that the main services sought under SOLR service contracts are not offered on an “as available” or “interruptible” basis.

699G Tender process rules

The tender process rules AEMO develops for a competitive tender process must:

- (a) allow AEMO to accept one tender, a combination of tenders, or no tender; and

- (b) acknowledge that AEMO may cancel the tender process at any time; and
- (c) require bidders to provide detailed financial information and to justify the services proposed to be provided under a SOLR service contract; and
- (d) require bidders to provide information relating to potential or proposed services provided to other persons and the extent to which this may adversely affect or reduce bidders' capacity or entitlement to provide services to AEMO under a SOLR service contract, including information about the services provided to those other persons, that is relevant to the evaluation of tenders by AEMO; and
- (e) include processes and procedures to enable AEMO to conduct a due diligence process in relation to:
 - (i) information that is provided as part of a tender; and
 - (ii) services proposed to be provided under a SOLR service contract; and
 - (iii) the bidder and other entities (if any) associated with the bidder or services proposed to be provided under a SOLR service contract; and
 - (iv) any other matter that is relevant to eligibility or the assessment of bids; and
- (f) require bidders to provide their proposed SOLR service contract or contracts, or a term sheet for each proposed SOLR service contract, which may allow different services to be provided on different terms; and
- (g) provide that AEMO may negotiate with any bidder as AEMO may determine or think fit in its absolute discretion.

Division 4B AEMO acting as Supplier of Last Resort

699H AEMO to consider AEMO's other functions

- (1) AEMO must consider whether AEMO's other functions are available to address a tier 3 threat, before AEMO:
 - (a) tenders for SOLR service contracts under rule 699I; and
 - (b) activates SOLR service contracts under rule 699J.
- (2) If AEMO's other functions are identified under subrule (1), AEMO may put in place such arrangements as AEMO considers necessary (acting reasonably) to facilitate or give effect to those functions so as to address (in full or in part) the tier 3 threat.

699I Tendering for and establishment of SOLR service contracts

- (1) As soon as practicable after stating that it intends to tender for SOLR service contracts under rule 696B(1), AEMO must:
 - (a) conduct a tender process in accordance with the SOLR Procedures to procure one or more SOLR service contracts, from one or more SOLR service suppliers; and
 - (b) use all reasonable endeavours to enter into the SOLR service contracts with the SOLR service suppliers on terms and conditions which:
 - (i) are sufficient to address the magnitude, timing and duration of the tier 3 threat specified in the notice;
 - (ii) are consistent with the SOLR principles; and
 - (iii) allow AEMO to comply with relinquishment and termination obligations under rules 699K and 699L.
- (2) Subject to subrule (3), AEMO must publish the following documents in relation to a competitive tender process:
 - (a) the invitation to tender;
 - (b) the tender process rules; and
 - (c) any form of support contract issued with the tender process rules.
- (3) AEMO:
 - (a) is not required to publish a document or information under subrule (2) to the extent that the document or information contains or consists of information that AEMO considers should be kept confidential;
 - (b) may restrict who has access to a particular document or information; and
 - (c) may publish such other documents as AEMO thinks fit.

699J Activating SOLR service contracts

- (1) At any time after stating that it intends to activate SOLR service contracts under rule 696B(2), AEMO may exercise any rights or entitlements available to AEMO under any SOLR service contracts it has in place at that time to address or mitigate the tier 3 threat, in accordance with the SOLR principles and the SOLR Procedures.
- (2) To the extent that AEMO is unable to adequately address the threat in accordance with subrule (1) AEMO may use its direction function under this Part.

699K Relinquishment of SOLR service contracts

- (1) If a relevant entity requests AEMO to relinquish to that entity any services, rights or entitlements available to AEMO under a SOLR service contract, AEMO must do so in accordance with Procedures to be made by AEMO under subrule (3) and subject to subrule (2).
- (2) Subrule (1) does not require AEMO to relinquish any services, rights or entitlements available to it under a SOLR service contract, to the extent that AEMO:
 - (a) considers that the requested relinquishment may:
 - (i) prejudice or limit AEMO's ability to address a tier 3 threat; or
 - (ii) be inconsistent with the SOLR principles; or
 - (b) is not permitted or entitled to do so under the terms of the SOLR service contract (whether by way of assignment, transfer, novation or other means).
- (3) AEMO must make Procedures to address:
 - (a) SOLR service contract terms and conditions for permitting relinquishment of services, rights and entitlements held by AEMO under SOLR service contracts; and
 - (b) the process and requirements for giving effect to relinquishment under this rule.

699L Termination of AEMO's SOLR service contracts

- (1) If AEMO:
 - (a) has issued an end of SOLR activation notice in respect of a tier 3 threat; or
 - (b) following the establishment of a SOLR service contract in respect of a tier 3 threat, determines that the SOLR service contract is no longer required to address that threat,

then AEMO must terminate each SOLR service contract established by AEMO in respect of the threat in accordance with Procedures to be made by AEMO under subrule (3) and subject to subrule (2).

- (2) Subrule (1) does not require AEMO to terminate a SOLR service contract if a relevant entity has requested relinquishment and relinquishment is proceeding (or has been completed) in accordance with rule 699K and the Procedures.
- (3) AEMO must make Procedures to address:

- (a) SOLR service contract terms and conditions permitting AEMO to terminate SOLR service contracts in the circumstances set out in subrule (1); and
- (b) the process and requirements for terminating SOLR service contracts under this rule.

699M Post-SOLR activation reports

- (1) AEMO must publish, in accordance with the SOLR Procedures, an initial report on its actions as the Supplier of Last Resort (an **initial post-SOLR activation report**) within 1 month of issuing an end of SOLR activation notice.
- (2) An initial post-SOLR activation report must contain the following information:
 - (a) a summary of how AEMO acted as the Supplier of Last Resort;
 - (b) AEMO's assessment of the extent to which its actions as the Supplier of Last Resort mitigated the relevant threat;
 - (c) AEMO's estimated expenditure in acting as the Supplier of Last Resort;
 - (d) AEMO's cost recovery methodology and process; and
 - (e) any other matters AEMO considers appropriate.
- (3) AEMO must publish, in accordance with the SOLR Procedures, a detailed report on its actions as the Supplier of Last Resort (a **detailed post-SOLR activation report**) within 4 months of issuing an end of SOLR activation notice.
- (4) A detailed post-SOLR activation report must include, in relation to the activation of SOLR service contracts:
 - (a) a description of each action as the Supplier of Last Resort;
 - (b) details of:
 - (i) the events giving rise to each action as the Supplier of Last Resort;
 - (ii) the contribution (if any) made by AEMO's other functions, and what those measures were;
 - (iii) how AEMO acted as the Supplier of Last Resort, including the categories of SOLR service contracts that were activated;
 - (iv) the extent to which each of those categories contributed to addressing or mitigating the tier 3 threat; and

- (v) the overall extent to which all of those categories, taken together, addressed or mitigated the tier 3 threat;
- (c) the reasons AEMO acted as the Supplier of Last Resort, including the matters AEMO considered in deciding whether to activate SOLR service contracts;
- (d) AEMO's total expenditure incurred in connection with its actions as the Supplier of Last Resort, including the activation of each SOLR service contract;
- (e) a detailed breakdown of AEMO's final cost recovery and proceeds distribution; and
- (f) any other matters AEMO considers appropriate.

[48] Rule 699N Matters AEMO must consider in determining whether to exercise its direction function

After Division 5, insert:

699N Matters AEMO must consider in determining whether to exercise its direction function

In determining whether to exercise its direction function, AEMO must, to the extent AEMO considers appropriate given the nature, timing or circumstances of the relevant threat, have regard to the following principles:

- (a) the industry should be given a reasonable period of time to take action to mitigate the identified risk or threat;
- (b) distortionary impacts on the east coast gas system and industry and consumer costs on which AEMO has available information should be, to the extent reasonably practicable, minimised; and
- (c) safety should not be compromised.

[49] Rule 700 East coast gas system directions

After rule 700(2), insert:

- (2a) AEMO must engage with affected jurisdictions in a timely manner regarding east coast gas system directions.

[50] Rule 702A Publication of post intervention reports for directions

After rule 702, insert:

702A Publication of post intervention reports for directions

- (1) AEMO must publish, in accordance with the Procedures, an initial report on the exercise of its direction function (an **initial post-directions report**) within 1 month of:
 - (a) the end of the exercise of the direction function; or
 - (b) the end of multiple exercises of the direction function AEMO considers relate to the same threat.
- (2) An initial post-directions report must contain the following information:
 - (a) a summary of the exercise of AEMO's direction function;
 - (b) AEMO's assessment of the extent to which the exercise of the direction function mitigated the relevant threat;
 - (c) any other matters AEMO considers appropriate.
- (3) AEMO must publish, in accordance with the Procedures, a detailed report on the exercise of its direction function (a **detailed post-direction report**) within 4 months of:
 - (a) the end of the exercise of the direction function; or
 - (b) the end of multiple exercises of the direction function AEMO considers relate to the same threat.
- (4) A detailed post-direction report must include:
 - (a) a description of the exercise of the direction function;
 - (b) details of the events giving rise to each exercise of the direction function;
 - (c) details of the contribution (if any) made by AEMO's other functions, and what those functions were; and
 - (d) the reasons for the exercise of the direction function, including the matters AEMO considered in deciding whether to exercise the function.

[51] Division 7 Exercise of trading functions

In Part 27, Division 7, omit the heading and substitute "SOLR cost recovery and proceeds distribution".

[52] Rule 708 Establishment of trading fund

Omit rule 708, including the heading and substitute:

708 Supplier of Last Resort cost recovery and proceeds distribution

- (1) AEMO must:
 - (a) recover from relevant entities AEMO SOLR costs; and
 - (b) distribute to relevant entities AEMO SOLR proceeds,in connection with AEMO’s actions as the Supplier of Last Resort, in accordance with this rule and Procedures made by AEMO under rule 708A.
- (2) AEMO SOLR costs and AEMO SOLR proceeds are to be allocated to each relevant entity in each region to which the tier 3 threat relates, in proportion to their (and their related entities, without double counting) respective shares of the total gas withdrawals from each gas wholesale market operating in that region or regions, during each relevant period.
- (3) Invoicing and settlement of AEMO SOLR costs and AEMO SOLR proceeds is to occur monthly, in respect of the AEMO SOLR costs incurred and AEMO SOLR proceeds received (if any) in the previous month.
- (4) In this rule, **relevant period** means, in respect of a tier 3 threat, each calendar month (or part thereof) between the date AEMO published the notice of the latest practicable time for an adequate industry response to that threat under rule 696A(1) and the date AEMO revoked the relevant risk or threat notice under rule 696.

[53] Rule 709 Funding the trading fund

Omit rule 709, including the heading, and substitute:

709 Procedures for recovery of AEMO SOLR costs and distribution of AEMO SOLR proceeds

- (1) AEMO must make Procedures governing the recovery of AEMO SOLR costs and the distribution of AEMO SOLR proceeds, in accordance with rule 708.
- (2) AEMO must ensure that those Procedures provide for:
 - (a) the nature and categories of the payments, costs and expenses that may be incurred and recovered by AEMO as AEMO SOLR costs;
 - (b) the nature and categories of the amounts paid or credited to (or earned or received by) AEMO that are to be treated by AEMO as AEMO SOLR proceeds;
 - (c) a method and process for determining the proportionate allocation of:
 - (i) AEMO SOLR costs incurred and recovered; and

- (ii) AEMO SOLR proceeds received and distributed,
as between relevant entities for the purposes of subrule (1) which must be consistent with rule 708(2);
- (d) the basis on which AEMO will determine:
 - (i) the time period during which AEMO activated a SOLR service contract in respect of a tier 3 threat;
 - (ii) the region (or regions) in respect of which AEMO has:
 - (A) published a tier 3 threat notice; and
 - (B) activated a SOLR service contract in respect of the tier 3 threat;
- (e) establishment of the SOLR account referred to in rule 710, along with the maintenance and operation of that account by AEMO;
- (f) process and timing for payments by:
 - (i) relevant entities into the SOLR account in respect of AEMO SOLR costs; and
 - (ii) AEMO to relevant entities in respect of AEMO SOLR proceeds.

[54] Rule 710 Adjustment of amounts for CPI

Omit rule 710, including the heading and substitute:

710 SOLR account

- (1) AEMO must establish and maintain a separate SOLR financial account in accordance with the Procedures.
- (2) The SOLR account will be:
 - (a) credited with AEMO SOLR proceeds; and
 - (b) debited for AEMO SOLR costs.

Schedule 2 Amendment to the National Gas Rules

(Clause 4)

[1] Schedule 1 2026 transitional provisions

In Part 22 of Schedule 1, after Division [2], insert:

Division [3] Transitional provisions consequent on the National Gas Amendment (ECGS Supplier of Last Resort) Rule 2026 No. [XX]

122 Definitions

(1) Unless otherwise specified, terms defined in new Part 27 have the same meaning when used in this Division.

(2) For the purposes of this Division:

Amending Rule means the *National Gas Amendment (ECGS Supplier of Last Resort) Rule 2026*.

commencement date means the date of commencement of schedule 1 of the Amending Rule, being 1 April 2027.

new Part 27 means Part 27 as in force immediately after the commencement date.

old Part 27 means Part 27 as in force immediately before the commencement date.

trading function has the meaning set out in old Part 27.

123 Continuation of trading functions being exercised under old Part 27 at the commencement date

If at the commencement date AEMO:

(a) is exercising a trading function under old Part 27; and

(b) has not yet completed its exercise of the trading function,

then old Part 27 will continue to apply, in so far as it relates to the exercise and completion of the trading function and reporting on the use of the trading function, until AEMO has completed or ceased exercising the trading function.

124 Refunding the trading fund

(1) Any funds remaining in a trading fund established to exercise a trading function under rule 708 of old Part 27, as at:

(a) the date by which AEMO has completed the exercise of the trading function, where rule 123 of this Part applies in respect of the trading function; or

- (b) the commencement date, where rule 123 of this Part does not apply, must be paid or disbursed by AEMO in accordance with subrule (2).
- (2) Payments and disbursements from a trading fund the subject of subrule (1) must be made as follows and in the following order:
- (a) payment of all amounts payable from the trading fund under rule 708(9)(a), (b) and (c) of old Part 27;
 - (b) repayment of any debt facility established by AEMO for the purposes of funding the trading fund; and
 - (c) as refund payments for all contributions made by each relevant entity to that trading fund, in proportion to their respective contributions made under rule 708 of old Part 27 (or as partial refund payments to them in that proportion, where the trading fund balance remaining is insufficient to fund full refund payments).

125 Updates to Procedures

By no later than the commencement date, AEMO must, in accordance with Part 15B:

- (a) make the SOLR Procedures in accordance with new Part 27 (to apply from the commencement date); and
- (b) review and update all relevant Procedures and guidelines (including the East Coast Gas System Procedures, the gas scheduling procedures defined in Part 19, the STTM Procedures, and guidelines made under section 91AD of the *NGL*),

to take into account the Amending Rule.