

AEMC DRAFT DETERMINATION: NATIONAL GAS AMENDMENT (ECGS ENHANCING RELIABILITY AND SUPPLY ADEQUACY ARRANGEMENTS) RULE 2026 (GRC0076)

9 APRIL 2026

INTRODUCTION

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our members are the engine room of the Australian economy, producing many of the products that households and business use every day including bricks, glass, steel, aluminium, paper, food and beverages. Combined, our members employ over 1 million Australians, pay billions in energy bills every year and in many cases are exposed to the fluctuations and challenges of international trade.

EUAA members are focussed on making products that meet their own customers' requirements where energy is just one input to the process albeit a critical one. Their expectation is that the energy industry continues to provide energy services that are fit for purpose and consistent with the National Gas Objectives (NGO) so that our members can continue to provide a fit for purpose product for their customers.

Thank you for the opportunity to make a submission under the AEMC Draft Determination: National Gas Amendment (ECGS Enhancing Reliability and Supply Adequacy Arrangements) Rule 2026.

At the EUAA, we support the design of rules, legislation and procedures that achieve efficient, cost effective and equitable outcomes for networks, producers and consumers. In the energy sector under most circumstances, this is best achieved through a national approach and a sharp focus on the NGO. From our perspective, the proposed East Coast Gas System (ECGS) Enhancing Reliability and Supply Adequacy Arrangements listed in the Draft Determination need to be enhanced to achieve this outcome.

DISCUSSION

The EUAA broadly supports the direction the AEMC has taken with respect to the three major components of the draft rule:

- A risk or threat signalling framework that is objective and transparent
- New governance arrangements for market settings reviews with the establishment of a Gas Reliability Committee (GRC)
- Enhancements to AEMO's Gas Statement of Opportunities (GSOO) and Victorian Gas Planning Report (VGPR) including information on the likelihood of forecast gas supply shortfalls and a more granular regional assessment of gas supply adequacy in the GSOO.

We also agree with the AEMC's Draft Determination to not introduce a gas reliability standard.

Risk or Threat Signalling Framework

The EUAA agrees with the Draft Determination to implement a combined probabilistic and impact tiered notification framework to signal the likelihood of a gas supply shortfall as well as an impact metric to encourage a market response.

However, we disagree with the AEMC with respect to AEMO creating its own tiered level with its own triggers. Given the pressures on AEMO during the "messy middle" of the energy transition, we observe that AEMO set targets and triggers are becoming more conservative, to the point that often AEMO intervenes when no intervention was necessary.

From that perspective, we strongly recommend that the AEMC consider prescribing a gas forecasting reference group (this could utilise AEMO's existing Forecast Reference Group) be established by AEMO and AER to guide the development and updating of AEMO's gas forecasting across all RSA forecasts. Specifically for the threat signalling framework, an alternative approach is that this could be a function of the Gas Reliability Committee.

We would also strongly recommend a mandatory forecasting feedback loop where AEMO reports, at least annually, on the accuracy of the RSA forecasts compared to actual outcomes and events. Where the variance between forecast and actual outcomes makes the forecast unusable or inaccurate, then AEMO would need to propose a change to their forecasting methodology and consult with the gas forecasting reference group before enacting the changes.

Gas Reliability Committee (GRC)

We support the AEMC's Draft Determination to establish the GRC with a "Report and Recommend" function, as

- The AEMC will receive advice from expert participants who will be directly affected by the "current reliability issue" which can be worked through to a single or range of recommendations before consultation.
- AEMC will retain the final decision-making power, which will be important if the GRC recommendations do not benefit consumers or if the GRC can not make a unanimous recommendation.

We suggest that the AEMC strengthen the clauses describing the composition of the GRC to include (in addition to the Market Bodies) producers, transmission companies, retailers and consumers to have full representation across the gas value chain.

We also consider that the GRC should be able to meet to discuss gas reliability issues, form opinions and provide the AEMC advice outside of the AEMC's formal review process, i.e. the GRC should be able to call meetings and initiate its own reviews without the AEMC initiating a review. This will provide a level of oversight on gas reliability that sits outside governments or market bodies.

Gas Statement of Opportunities and Victorian Gas Planning Report

We disagree with AEMC's proposal that AEMO develop and consult on its own forecasting guidelines to develop the ESOO and VGPR, rather than having the AER establish best practice forecasting guidelines for AEMO to follow.

While it would seem efficient for AEMO to develop its own forecasting guidelines, this leads to an approach where AEMO is effectively correcting its own homework and is incentivised to develop its guidelines to meet its forecasting approach.

This opinion is formed from our experience with AEMO's approach to forecasting in the NEM, and its tactic in the Forecasting Reference Group (FRG) where:

- AEMO defends its current practice rather than having an open approach to new forecasting methodologies tabled by FRG members, and
- AEMO occasionally makes changes to forecasting methodologies without first consulting the FRG as is required by the NER.

Again, we recommend that the AEMC consider prescribing a gas forecasting reference group be established by AEMO and AER to guide the development and updating of AEMO's gas forecasting across all RSA forecasts as well as a mandatory feedback loop as described above.

CONCLUDING REMARKS

While we consider that the Draft Determination is workable and will improve gas RSA arrangements, we strongly recommend improvements to the governance around the GSA arrangements to ensure that the implementation of the RSA arrangements results in usable outputs.

The EUAA welcomes further discussions around the issues raised in this submission.

Do not hesitate to be in contact with EUAA Policy Manager Dr Leigh Clemow, should you have any questions.



Andrew Richards
Chief Executive Officer