



09 April 2026

Australian Energy Market Commission (AEMC)

Via AEMC website: www.aemc.gov.au

National Gas Amendment (ECGS Enhancing reliability and supply adequacy arrangements) Rule 2026

Alinta Energy welcomes the opportunity to provide feedback on the Draft determination of the proposed East Coast Gas System (ECGS) Enhancing reliability and supply adequacy arrangements Rule.

Key points:

- **We broadly support the Draft Determination but maintain concerns about overly conservative triggers and AEMO's discretionary powers.**
- **The GRC should consider the interaction with electricity markets in its review and ensure balanced membership between representatives.**
- **We recognise efficiencies in the GSOO and VGPR's use of the existing gas supply adequacy assessment, subject to extensive industry consultation on forecasting guidelines.**
- **AEMO should develop the framework's procedures jointly with industry to ensure robust, proportionate responses to threats.**
- **There should be greater clarity on how the framework would link to the exercise of AEMO's intervention powers.**

We broadly support the Draft Determination but maintain concerns about overly conservative triggers and AEMO's discretionary powers.

Alinta Energy is generally supportive of the AEMC's approach in the draft determination, and considers it largely addresses the concerns raised in our response to the directions paper¹.

Notwithstanding this support, we consider there is further scope to minimise potential risks and enhance its effectiveness. To that end, we make the following recommendations for the Commission's consideration.

¹ Alinta Energy response to the 'East Coast Gas System reliability standard and association settings Directions Paper'.

The Gas Reliability Committee (GRC)

The GRC should consider the interaction with electricity markets in its review and ensure balanced membership between representatives.

We maintain support² for the establishment of an AEMC-led GRC to review the market price settings in the DWGM and STTM and consider this would mitigate the conflict of interest in AEMO taking such a role. Further, we propose:

- The final rule requires the GRC's review to have regard to the interaction between gas and electricity markets, including price settings that inform contracts and derivatives markets.
- AEMO to conduct the upcoming STTM market settings review given the compressed timeframe, with the GRC to take over in the next period.
- GRC membership should include a minimum of three industry and consumer representatives to form a balance with AEMC and AEMO members.

Forecasting tools: GSOO & VGPR

We recognise efficiencies in the GSOO and VGPR's use of the existing gas supply adequacy assessment, subject to extensive industry consultation on forecasting guidelines.

We support the efficiencies created in the Commission's proposal for AEMO to:

- continue producing the gas supply adequacy assessment in both the GSOO and VGPR; and
- leverage the likelihood of supply shortfalls assessment established in the framework in the GSOO and VGPR.

However, we have concerns with AEMO developing the forecasting guidelines in lieu of the AER. If this approach is adopted in the final rule, meaningful opportunities for stakeholder input - including written submissions and working groups - should be required.

Considering the dependency between the forecasting assessment and classification of tiers - which may trigger AEMO intervention - inputs from stakeholders should be proportionate.

The risk or threat signalling framework

AEMO should develop the framework's procedures jointly with industry to ensure robust, proportionate responses to threats.

The inclusion of both likelihood and severity in the framework has potential to provide clarity on what constitutes a threat or risk to reliability. The approach to determining supply shortfalls should address credible threats as they arise, while avoiding the premature triggering of AEMO intervention powers, including those under the proposed ECGS Supplier of Last Resort framework.

² Alinta Energy response to the 'East Coast Gas System reliability standard and association settings Directions Paper', p.2.

We maintain³ a potential conflict of interest in allowing the market operator to set the criteria that may trigger its own intervention powers. Under the draft determination, the AEMC proposes to specify only the framework's minimum foundational requirements, leaving responsibility for developing detailed assessment and risk or threat classification procedures to AEMO in consultation with industry. Additionally, the GRC is not proposed to have a role in developing these procedures.

To address potential conflict of interest concerns, industry should be jointly involved in developing the procedures. We therefore propose the final rule:

- mandate industry collaboration in designing the procedures (for example, through working groups);
- establish a shared decision-making mechanism between AEMO and industry (for instance via a majority-based voting process);
- require GRC involvement in reviewing the procedures;
- require the procedures clearly specify how and when AEMO's intervention powers would be triggered.

There should be greater clarity on how the framework would link to the exercise of AEMO's intervention powers.

We consider that concerns⁴ regarding AEMO's expanding intervention powers have not been adequately addressed in the draft determination. We question the effectiveness and distortionary impacts of these powers and do not consider they have improved supply and demand outcomes in the east coast gas market.

While we support the framework's high-level design - particularly escalation and de-escalation pathways and intent to encourage market-led responses - we are concerned that its integrity and effectiveness may be undermined if AEMO can intervene outside the framework. The paper states:

*"The tiers are intended to signal the need for a market-led response but **do not**, of themselves, require AEMO to exercise its intervention powers or **constrain AEMO in the exercise of these powers when they are deemed necessary**...Where AEMO considers there is insufficient time to assess and classify a risk or threat, it may instead act directly using its intervention powers without applying the framework".⁵*

We question whether permitting AEMO to both assess supply shortfalls while exercising its intervention powers at any stage in the framework undermines the framework's purpose and may result in duplicative and potentially conflicting decision-making.

Further consideration is needed to clearly define how the framework interfaces with AEMO's intervention powers, to ensure they operate in a distinct but coherent manner.

³ Alinta Energy response to the 'East Coast Gas System reliability standard and association settings Directions Paper', p.3.

⁴ Alinta Energy response to the 'East Coast Gas System reliability standard and association settings Directions Paper', p.3 - 4.

⁵ AEMC, Draft determination, p.18.

Thank you for your consideration of Alinta Energy's submission. If you would like to discuss this further, please get in touch with Isidora Stefanovic at isidora.stefanovic@alintaenergy.com.au.

Yours sincerely,

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