



9 April 2026

Our Reference: APLNG - COR - 1054707

Alfredo Careaga
Project Leader (GRC0076)
Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

By electronic lodgement: www.aemc.gov.au/contact-us/lodge-submission

Dear Mr Careaga

Australia Pacific LNG Pty Limited (APLNG) welcomes the opportunity to contribute to the Australian Energy Market Commission's (AEMC) consultation process on the *National Gas Amendment (ECGS Enhancing reliability and supply adequacy arrangements) Rule 2026* draft rule determination.

APLNG supports the overall approach taken in the draft rule determination, including the decision not to adopt a reliability standard based on value of gas customer reliability estimates, the system resilience risk assessment, and the best practice forecasting guidelines. APLNG notes that much of the effectiveness of the new threat signalling framework will be contingent on the proposed Threat Tiers being appropriately defined by AEMO.

There are several areas of the draft rules that could be improved, key concerns relate to:

- the feasibility of the proposed commencement date
- the assessment and classification process for identified risks or threats, including those that may not meet the tier thresholds
- the review process for the risk or threat assessment procedures
- confidentiality risks associated with developing regions; and
- the gas supply adequacy assessment (GSAA) methodology principles.

These matters are detailed below, with specific feedback in provided in **Attachment 1**.

Proposed commencement date

APLNG does not support the proposed commencement date of 1 April 2027, as it does not provide a realistic pathway for implementing the proposed reforms. While we appreciate that the AEMC is seeking to have the new framework in place before winter 2027 in line with the rule change request, the combination of concurrent reform processes and delays in finalising the projected assessment of supply adequacy (PASA) determination mean this timing is not feasible.

Over the next 18 months, both market participants and the Australian Energy Market Operator (AEMO) will be required to design, consult on, and implement several major regulatory reforms, including:

- new Bulletin Board (BB) information disclosure requirements to support the PASA reports (proposed commencement: 1 March 2027¹)
- the supplier of last resort mechanism (proposed commencement: 1 April 2027)
- the PASA reporting framework (proposed commencement: 3 May 2027²)
- the Australian Government's Gas Market Review recommendations
- the long-term reliability and supply adequacy tool and changes to the Gas Statement of Opportunities to incorporate more detailed assessments of investment options available to address threats (if implemented).

Collectively, these overlapping reforms risk stretching the resources of both stakeholders and AEMO too thin. This would constrain stakeholders' ability to provide high-quality feedback, reduce the robustness and effectiveness of the resulting arrangements, and increase the likelihood of implementation challenges.

The overlapping risks the new framework commencing before the PASA reports become operational and market participants have adjusted to the new information disclosure requirements. Any early data integrity or system issues associated with the new Bulletin Board reporting requirements could compromise the accuracy or completeness of the initial PASA reports, causing AEMO to misidentify risks or threats and prematurely trigger the assessment and classification obligations.

To ensure the new framework is fit-for-purpose, APLNG considers it is more appropriate for the commencement date to be set at least two months after the PASA reports become effective.

Assessment and classification of identified risks or threats

Requiring AEMO to assess and classify every identified risk or threat forecast to occur in the next 12 months on a weekly basis would impose ongoing costs on AEMO (and ultimately gas users) that are not proportionate to the value that such frequent assessments would deliver.

AEMO is only required to vary or revoke a risk or threat notice when there is a material change or new information concerning the nature or circumstances of the identified risk or threat becomes known. In practice, this means frequent assessments are unlikely to translate into additional market communications or improved outcomes.

The AEMC should instead adopt a more targeted approach that differentiates the frequency of these assessments based on how soon a risk or threat is expected to materialise. Risks or threats expected to occur within the next six months would likely need a weekly assessment, as timely detection and communication (including updates) are essential for enabling effective market-led responses.

In contrast, risks or threats forecast to arise in seven to twelve months' time do not need the same level of monitoring intensity, due to the additional time available for the market and AEMO to plan and respond. For these longer-dated risks or threats, adopting a fortnightly cadence would retain appropriate oversight while reducing unnecessary costs.

Preferably, the threat signalling framework should only apply over operational timeframes, noting that the framework will be used to inform AEMO's use of tools such as conferences, directions or activations of demand response, which are all designed to address short-term operational threats, not structural or seasonal shortfalls many months in advance.

Identified risks or threats that do not meet the thresholds

The draft rules do not clearly address how AEMO should handle identified risks or threats that do not meet the criteria for classification as a tier 1 risk, tier 2 risk, or tier 3 threat (i.e. risks sitting in the 'green' section of the heat map on page 20 of the draft rule determination). It is possible that AEMO may identify circumstances that technically fit within the broad definition of an identified risk or threat, but which are assessed as having a very low probability of occurring and a very low impact on the

¹ AEMO's [High Level Impact Assessment](#) recommended a go-live date of 2 September 2027, a position that APLNG supported in our submission to AEMO.

² AEMO's [High Level Impact Assessment](#) recommended a go-live date of 27 October 2027.

east coast gas system (ECGS). In these cases, it is unlikely the identified risk or threat would require an industry response or satisfy the criteria underpinning any of the three tiers.

It appears AEMO would nevertheless be required to issue a risk or threat notice for these identified risks or threats. APLNG considers that imposing such a requirement would result in unwarranted administrative costs and reduce the effectiveness of the notice regime by drawing industry attention toward immaterial matters for which no industry response is needed.

To address this gap, APLNG recommends amending:

- proposed rule 694B to specify that classification involves determining whether an identified risk or threat meets the criteria for classification as a tier 1 risk, tier 2 risk, or tier 3 threat, and that no classification is required where the criteria for these tiers are not met; and
- rule 695 to state that AEMO must publish a risk or threat notice as soon as reasonably practicable after classifying an identified risk or threat into one of the three tiers.

These changes would provide greater regulatory certainty, avoid unnecessary costs for both AEMO and industry, and support the overarching intent of the framework.

Review of the risk or threat assessment procedures

APLNG supports the proposal for AEMO to review the risk or threat assessment procedures, including the tier thresholds, every four years to ensure the framework remains fit-for-purpose and that the National Gas Rules should require AEMO to conduct this review in accordance with the approved process.

Development of regions

We agree with AEMO's observation that certain levels of regional disaggregation may inadvertently reveal confidential or commercially sensitive information, potentially exposing market participants. It would be preferable for proposed rule 681B to require AEMO to protect confidential and commercially sensitive information when establishing or varying the regions.

APLNG recommends introducing an explicit obligation for AEMO to undertake stakeholder consultation when developing or varying the regions to help ensure these are appropriately designed, robust, and cognisant of any confidentiality risks.

To further promote transparency, AEMO should be required to publish the criteria it applies when setting regional boundaries in the ECGS Procedures (not just the methodology).

GSAA methodology

APLNG is broadly supportive of the principles that AEMO must have regard to when developing the GSAA methodology. However, proposed rule 135KAA(2) should be strengthened to ensure the methodology:

- draws on existing information sources only
- is transparent without disclosing confidential or commercially sensitive information
- reflects any interdependencies between the gas and electricity sectors; and
- is designed to be replicable across years and developed at least-cost.

Thank you for the opportunity to provide feedback on the draft rule determination. Should you have any queries relating to this submission, please contact Kieran Olsen, Compliance Manager, on 07 3021 3347 or via email at kieran.olsen@aplng.com.au.

Yours sincerely



Ben Smith
Acting General Manager Commercial
Australia Pacific LNG Pty Limited

Attachment 1: APLNG feedback on the draft rules

Reference	Draft rule	APLNG feedback
135KAA(2)	<p>The GSAA methodology must set out AEMO's forecasting practices and processes as they relate to the gas statement of opportunities having regard to the following principles:</p> <ul style="list-style-type: none"> (a) forecasts should be as accurate as possible, based on comprehensive information and prepared in an unbiased manner; (b) the basic inputs, assumptions and methodology that underpin forecasts should be disclosed; and (c) stakeholders should have as much opportunity to engage as is practicable, through effective consultation and access to documents and information. 	<p>This proposed rule should be updated for the following matters:</p> <ul style="list-style-type: none"> • Expressly recognising in principle (a) that forecasts should rely on existing information sources, including those already available to AEMO through current information disclosure arrangements and publicly accessible data. Accuracy should be achieved by making full use of these established sources, rather than introducing new information disclosure requirements, given the substantial regulatory reporting burden already placed on market participants. • Principle (b) requires disclosure of 'basic inputs, assumptions and methodology', any such disclosure must be appropriately caveated to protect confidential and commercially sensitive information, such as through aggregation or anonymisation to prevent identification of specific entities. To provide clarity on these protections, we recommend adding 'subject to rule 135KH(2)' at the end of this principle to make it clear that AEMO may only disclose information in accordance with Subdivision 2 of Division 7 of Part 6 of Chapter 2 of the National Gas Law (NGL). • A new principle should be added requiring AEMO to consider the interdependencies between the gas and electricity sectors. Recognising these linkages is essential to producing credible gas supply adequacy assessments. • The GSAA methodology should be replicable across years (to the extent reasonably practicable) and developed at least cost to minimise the impacts on participant fees.
135KB(1A)(d)	<ul style="list-style-type: none"> (d) a breakdown of the gas supply adequacy assessments by region, where reasonably practicable; and 	<p>The draft rule refers to 'gas supply adequacy assessments' but neither the National Gas Rules (NGR) or the NGL define this term. A new definition should be introduced in rule 135K to clarify the scope and timeframe:</p> <p>gas supply adequacy assessment means an assessment prepared by AEMO in accordance with section 91D(2)(a)(ii) of the NGL for the 10-year period referred to in rule 135KB(1).</p>

Reference	Draft rule	APLNG feedback
140D(4)	Without limiting the AEMC's discretion about the number of persons to be appointed under subrule (2)(c), in making those appointments, the AEMC must have regard to the principle that the Gas Reliability Committee should be broadly representative of persons with a direct interest in the relevant regulated gas markets...	Given the market price cap for the Declared Wholesale Gas Market (the 'VoLL') is intended to be used as the 'SoLR service price limit', the types of persons who may be appointed to the Gas Reliability Committee may need to be broader than those with a direct interest in the relevant regulated gas markets.
680	AEMO's other functions means AEMO's functions under the <i>Law</i> , the National Electricity Law or the <i>NER</i> , other than a direction or trading function.	The term 'direction or trading function' is proposed to be removed from Part 27 of the NGR as part of the ECGS Supplier of Last Resort (SoLR) draft rule determination. Retaining an undefined term risks confusion regarding the scope of the exclusion and may result in inconsistent interpretation. Should the SoLR mechanism proceed, this term should be replaced with 'direction function or AEMO's function as Supplier of Last Resort'. Additionally, APLNG queries whether this definition should also include a reference to 'these Rules', to account for any relevant functions conferred onto AEMO by the NGR.
681B(4)	AEMO must set out in the Procedures the regions identified by AEMO and an explanation of the methodology AEMO uses to determine regions.	In addition to these matters, the ECGS Procedures should also set out the criteria AEMO uses to define regional boundaries or otherwise allocate covered gas industry facilities or demand to regions.
681B *New*		Rule 681B should include two new rules requiring AEMO to: <ul style="list-style-type: none"> • consult on the criteria and methodology for defining regions, as well as the proposed regions • protect confidential information when determining the regions.
685(4)	AEMO may publish updates to the Medium Term PASA in the event of changes which AEMO considers to be material.	The term 'material' in proposed rule 685(4) lacks clarity and may lead to inconsistent application in practice. To ensure regulatory certainty and provide an appropriate benchmark for AEMO's decision-making, AEMO should be required to define 'material' in the ECGS Procedures.
686(2)(d)	(d) any other information specified in the Procedures.	This proposed rule is redundant as the same requirement is addressed in proposed rule 686(3)(b).

Reference	Draft rule	APLNG feedback
686(4)	AEMO may publish updates to the Short Term PASA in the event of changes which AEMO considers to be material.	Refer to the feedback in relation to proposed rule 685(4).
694A(2)(a)	(a) for an identified risk or threat that relates to any time in the 12-month period after the assessment – at least weekly; and	This rule should be separated into: <ul style="list-style-type: none"> for an identified risk or threat that relates to any time in the 6-month period after the assessment – at least weekly for an identified risk or threat that relates to any time in the 7 to 12-month period after the assessment – at least fortnightly.
694A(3)	AEMO is not required to assess or classify an identified risk or threat under this rule if AEMO considers that in the circumstances, there is insufficient time to do so before exercising a direction or trading function.	As noted above, the AEMC intends to replace 'direction or trading function' with 'direction function' in the Part 27 definitions. This proposed rule should therefore refer to a 'direction function'.
694B(3)(a)(i)	(a) must include: <ul style="list-style-type: none"> (i) actual and forecast east coast gas system conditions; and 	Greater clarity is needed regarding the scope of 'east coast gas system conditions', as the term is broad and introduces uncertainty around the parameters AEMO is expected to consider when undertaking its probability assessment. The NGR should define this term with reference to key categories of ECGS conditions, including: <ul style="list-style-type: none"> supply-side factors such as production capacity, facility outages, storage levels, and infrastructure constraints demand-side factors, including expected demand for gas-powered generation external or environmental factors, such as severe weather events or material changes to regulatory or policy settings.
694B *New*		The draft rules do not adequately address how AEMO should treat identified risks or threats that fall outside the criteria for a tier 1, 2 or 3 classification. In practice, AEMO may identify very low-probability, very low-impact circumstances that technically meet the broad definition of an identified risk or threat but do not warrant market attention. Requiring AEMO to classify these immaterial matters would impose unnecessary administrative costs and reduce the effectiveness of

Reference	Draft rule	APLNG feedback
		the notice regime. AEMO should only be required to classify identified risks or threats that satisfy the criteria for one of the three tiers. This should be reflected through a new rule inserted prior to proposed rule 694B(6).
695(1)	AEMO must publish a notice (a risk or threat notice) in accordance with the Procedures as soon as reasonably practicable after classifying an identified risk or threat.	This rule should be constrained to identified risks or threats that have been classified by AEMO as a tier 1 or 2 risk, or tier 3 threat.