

Notes of meeting between QEUN and AEMC, 13 April 2026

These meeting notes reflect Queensland Electricity Users Network (QEUN)'s comments to the AEMC team and are to be considered as a submission in response to the East coast gas system (ECGS) Enhancing reliability and supply adequacy arrangements (ERSAA) and ECGS Supplier of last resort mechanism (SoLR) draft determinations published by the AEMC on 25 February 2026.

QEUN: Jennifer Brownie, Coordinator

AEMC: Meredith Mayes, Marc Tutaan, Jessica Curtis

Key points made by QEUN during the meeting:

- **Small customer representation and consultation gaps:** QEUN highlighted the lack of small and regional customer representation in gas market consultations (including the ERSAA and SoLR rule change processes), emphasising that current processes primarily engage large consumers like EUAA and CS Energy, leaving small business and residential voices absent and uninformed about critical changes.
 - **Diversity of customer needs:** QEUN discussed how large gas users, represented by EUAA, have gas supply and transportation agreements, while small customers rely on retail contracts, underscoring the need for differentiated consultation and policy responses.
 - **Lack of awareness among small customers:** QEUN pointed out that small business and residential customers are largely unaware of market mechanisms like PASA and the impacts of gas supply disruptions, as information is not effectively communicated to them, unlike market participants.
 - **Call for broader consultation:** QEUN urged the AEMC team to conduct more open and free-flowing consultations to ensure small customer voices are heard and to facilitate better problem-solving for urgent supply issues. She also noted that the reliability and supply adequacy framework is difficult to understand and engage with, even with the diagrams provided by the AEMC.
- **Rule change limitations:** QEUN stressed that the current gas supply crisis is rooted in government policy failures, arguing that rule changes alone cannot resolve supply issues and that broader policy intervention is required.
- **Urgency for action:** QEUN pointed out that while the Gas Reliability Committee will not meet until 2030, the supply problem is immediate and action should be prompt.
- **Dandenong LNG and system security:** QEUN questioned whether Dandenong LNG facility should be integrated into the SoLR mechanism. She also supported the suggestion that a demand response panel be established under the SoLR mechanism.
- **Information gaps and communication to small customers:** QEUN discussed the lack of effective communication to small gas customers about market risks and supply disruptions. A potential solution could be for credible consumer groups, such as those based in Victoria, to be involved in the Gas Reliability Committee.

- **Cost allocation and its impact on small customers:** QEUN raised concerns about cost allocation in the SoLR draft rule. In particular, if larger gas users are excluded from cost recovery, then the cost burden would increase for small consumers, noting that past electricity market events resulted in significant costs passed through to retail bills. This would be concerning if AEMO triggered the SoLR mechanism too early and incurred costs that may not have been necessary.
- **Timing of the tender process:** QEUN raised concerns about the lack of clarity regarding the timing of the tender process. It is unclear to QEUN if the tender process is more like a Lack of Reserve Notice or a T-1 Reliability Instrument used to maintain reliability and security in the National Electricity Market. The timing of the tender could significantly influence the cost of the intervention both in the short term and in the longer term eg gas could be withheld for a longer period of time causing gas prices to rise towards the \$800/GJ price cap. Therefore, timing of the tender is of concern to the nearly 5 million residential and small business customers who are not actively involved in the gas market but ultimately wear the consequences of gas retailers and gas generators paying higher prices for gas.
- **The impact of the \$800/GJ gas price on the wholesale electricity price:** The National Electricity Market is highly reliant on gas generation for firming. Forecasts are strengthening for an El Nino weather event in the southern states this year. This typically results in lower wind capacity factors. The southern states represent the bulk of the 5 million small gas customers, most of which are residential customers. The southern states have less coal generation capacity and an older fleet of coal generators. As the National Electricity Market is predominantly reliant on 2 to 4 hour batteries for energy storage, gas generation is critical during a wind drought that can last for days or weeks. The problem is gas is a physical system whereby gas molecules must move from Queensland to the big gas consuming southern states. In this situation QEUN believes small customers of both gas and electricity are at risk of higher bills. This is because, depending on the type of gas generator, an \$800/GJ gas price becomes a \$6,400/MWh or \$10,400/MWh wholesale electricity price. QEUN would like to see more discussion on the \$800/GJ gas price cap and the how the Standing Panel of Demand Response would be an effective tool to reduce gas prices.