1 September 2026

Australian Energy Market Commission
Project Lead Claire Rollinson

Submission lodged via the Project Page.

Dear Ms Rollinson,

SUBMISSION TO DRAFT DETERMINATION – ALLOWING AEMO TO ACCEPT CASH AS CREDIT SUPPORT UNDER THE NATIONAL GAS RULES (GRC0089)

Delta Power & Energy (Vales Point) Pty Ltd (Delta) welcomes the opportunity to comment on the Australian Energy Market Commission's (‘**AEMC**’ or ‘**Commission**’) draft determination to allow the Australian Energy Market Operator (‘**AEMO**’) to accept cash as credit support in the Declared Wholesale Gas Market (‘**DWGM**’) and Short Term Trading Market (‘**STTM**’).

Delta continues to strongly support this reform and considers the draft rule will promote the National Gas Objective by increasing flexibility, reducing barriers to participation, improving competition and lowering transaction costs for market participants. Delta agrees with the Commission's assessment that providing an additional form of credit support will assist participants in meeting prudential requirements without weakening the integrity of existing arrangements.

Delta also acknowledges the Commission's decision to adopt a $10 million cash limit per participant in each gas market. While Delta’s rule change request proposed alignment with the National Electricity Market (‘**NEM**’) limit of $20 million, Delta understands the Commission's rationale that credit support requirements in the gas markets are generally lower than those observed in the NEM. We consider the proposed $10 million limit to be a reasonable and proportionate balance between flexibility and prudent risk management. However, Delta would not support any further reduction in the limit, as this could diminish the practical benefits of the reform for larger participants and reduce the effectiveness of cash as a viable alternative to bank guarantees.

Delta's primary concern is the proposed commencement date of 1 November 2028. Delta considers that the implementation timeframe is unnecessarily long and risks delaying the benefits of the reform for market participants by a further two years.

The NEM rule change allowing cash as credit support was made in June 2025 and is scheduled to commence in November 2026, representing an implementation period of approximately 15 months. The proposed gas market implementation period is significantly longer despite the draft rule largely replicating the NEM framework and associated risk controls.

Delta acknowledges that AEMO must implement supporting systems, procedures and guidelines. However, AEMO is already developing the capability, governance frameworks and operational processes necessary to support cash credit support in the NEM. Given the substantial similarities between the arrangements, Delta considers there should be a strong expectation that these capabilities can be leveraged to facilitate an earlier commencement in the DWGM and STTM.

A commencement date in late 2028 risks unnecessarily delaying participation from businesses that would otherwise be prepared to increase or commence trading if cash credit support were available. For some participants, the cost and capital burden associated with obtaining bank guarantees remains a material barrier to market entry, expansion and liquidity provision.

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In addition, some market participants may face practical difficulties in securing additional bank guarantee capacity, or obtaining guarantees from institutions that meet AEMO's requirements, irrespective of their willingness to provide cash collateral. Delaying implementation would postpone the benefits of the reform and may prevent willing participants from engaging more actively in the market during that period.

Delta therefore encourages the Commission to reconsider the proposed implementation timetable and seek opportunities to bring forward commencement. Earlier implementation would allow participants to access the benefits of the reform sooner and accelerate the competition, liquidity and efficiency outcomes that the rule change is intended to achieve.

Thank you for your consideration. For further discussion, please contact Delta's Market Compliance & Regulation Manager, Joel Aulbury, at joel.aulbury@deltapae.com.au.

Yours sincerely,

ANDY YOUNG
ENERGY MARKETS RISK MANAGER