

9 September 2021

Daniela Moraes
Australian Energy Market Commission
GPO Box 2603
SYDNEY NSW 2000

(via email to: aemc@aemc.gov.au)

GAS SUPPLY GUARANTEE CONSULTATION – GLNG SUBMISSION

Dear Daniela,

GLNG Operations Pty Ltd (**GLNG**) welcomes the opportunity to provide comment on the AEMC's Gas Supply Guarantee (GSG) Draft Decision and potential changes to the GSG Guidelines.

GLNG remains of the view that any extension to the GSG beyond its current expiry date of 31 March 2023 is not necessary as the gas markets have shown they can operate effectively to support the NEM and supply gas to gas fired generators during peak demand periods.

If a decision is made to extend the GSG until 2026, then GLNG considers that the current provisions of the GSG are appropriate. It is unnecessary to widen the definition of gas supply shortfall and broaden the application of the guarantee.

The intent of the GSG and the mechanism in its current form is well understood by gas fired electricity producers, gas suppliers, LNG producers and pipeline operators. The electricity and gas markets have developed and matured significantly over a number of years which has enabled a variety of market-based solutions to be developed to effectively respond to and manage gas supply into the NEM.

In particular, Queensland LNG projects, pipeline operators and gas generators have responded to market signals in the past and supplied gas to the southern markets; and they will continue to do so when required by the market. This commitment was evidenced in June/July 2021, when market signals indicated a shortfall in gas supply to support the NEM. Gladstone LNG (and other market participants) responded and supplied significant quantities of gas into the Queensland market, a large portion of which was then delivered to the southern states. GLNG sold 1.665PJ of gas and swapped 557TJ of gas in June/July. Market based solutions are clearly working and the market should be left to operate without further regulatory overlay.

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GLNG is a Santos PETRONAS Total KOGAS venture.



GLNG makes no submissions on the value of the South East Australia Gas Maintenance Coordination Workshop (SEAGMCW); but does not support any changes to the existing GSG and therefore agrees that the SEAGMCW should not be incorporated into the Gas Supply Guarantee Guidelines.

Yours sincerely



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