

Australian Energy Markets Commission

8 May 2025

Submitted online: [www.aemc.gov.au](http://www.aemc.gov.au)

### **AEC Submission to AEMC ECGS Projected Assessment of System Adequacy Rule Change – Consultation paper**

The Australian Energy Council (AEC) welcomes the opportunity to make a submission in response to the AEMC ECGS Projected Assessment of System Adequacy Rule Change – Consultation paper.

The Australian Energy Council is the peak industry body for electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. AEC members generate and sell energy to over 10 million homes and businesses and are major investors in renewable energy generation. The AEC supports reaching net-zero by 2050 as well as a 55 per cent emissions reduction target by 2035 and is committed to delivering the energy transition for the benefit of consumers.

The AEC supports the proposed principles-based approach. With respect to the straw person ECGS PASA objective, we believe it captures what is required in simple and clear terms.

We are unconvinced that AEMO has insufficient information for the intra-year period to develop gas PASAs. AEMO's proposal to extend the DWGM and STTM demand forecast obligation from two-three days to seven days and the removal of the ECGS seven day forecast obligation on Part 27 retailers and Bulletin Board large users appears reasonable. However, we will leave estimation and commentary on net costs caused by these changes to our individual members. Beyond these changes it would be helpful to provide participants with some certainty that there will be no further data requests and changes by prescribing this in the NGR.

The proposed two regions (North South) will not be adequate to account for significant regional demand differences. For example, the DWGM is substantially different from the rest of the ECGS because of high level of residential heating load. In determining PASA regions, it should be based on empirical demand analysis of the ECGS. From a supply side perspective we think pipeline linked regions approach has merit and in trying to develop PASA regions this should be part of the analysis.

AEMO already conducts comprehensive demand modelling for the GSOO<sup>1</sup> and VGPR yet has not developed an ECGS daily demand model. It is difficult to reconcile AEMO's statement that it will require a further 12-18 months to develop a PASA model when daily granularity modelling work for the GSOO on weather sensitivity of industrial (Tariff D) demand is already conducted. This process

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<sup>1</sup> [https://www.aemo.com.au/-/media/Files/Gas/National\\_Planning\\_and\\_Forecasting/GSOO/2019/Gas-Demand-Forecasting-Methodology.pdf](https://www.aemo.com.au/-/media/Files/Gas/National_Planning_and_Forecasting/GSOO/2019/Gas-Demand-Forecasting-Methodology.pdf)

could have been improved if AEMO provided a draft model using the data it currently has access to. For example, the model's out of sample forecasting performance could have been assessed. Thereby, allowing stakeholders to properly assess whether AEMO can make material improvements in model tractability and forecast accuracy with additional data and what the cost benefit trade off would be.

Any questions about this submission should be addressed to [peter.brook@energycouncil.com.au](mailto:peter.brook@energycouncil.com.au) or by telephone on (03) 9205 3116.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'P Brook', is placed on a light yellow rectangular background.

**Peter Brook**  
Manager Wholesale Policy

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