



## ECGS projected assessment of system adequacy

### The Commission is seeking stakeholder feedback on a proposal to improve intra-year information in the east coast gas system

The proponents consider insufficient information over the intra-year period in the east coast gas system (ECGS) is impacting participants' ability to make optimal decisions about gas supply, demand and related infrastructure. They propose to address this by introducing two forecasts of reliability and supply adequacy over 7-day and a 12-month horizons.

On 21 January 2025, the Commission received a rule change request from the Acting Chair of the Energy Senior Officials on behalf of the ECMC and the Honourable Lily D'Ambrosio MP (the proponents). The proponents consider the ECGS currently lacks a complete set of high-quality information on the adequacy of gas supply and transportation capability to meet demand over the intra-year period. They consider that this is reducing stakeholders' ability to make timely, informed and efficient decisions about how to plan for and manage any emerging RSA threats.

In order to address this issue, the proponents are seeking an amendment to the National Gas Rules (NGR) to introduce a short-term projected assessment of system adequacy (ST PASA) and a medium-term projected assessment of system adequacy (MT PASA) for the ECGS. The forecasts are proposed to be produced by AEMO and published on a rolling basis over 7-day and 12-month horizons, respectively.

### This rule change is part of the stage 2 RSA reforms

In winter 2022, the ECGS experienced higher than expected gas demand (particularly from gas-powered generators (GPG)) and lower than expected supply. Wholesale gas prices in the facilitated markets across the ECGS reached record highs, triggering the administered price caps in some of these markets.

In response, in August 2022 energy ministers agreed on reforms to create a reliability and supply adequacy (RSA) framework in two stages. Stage 1 RSA reforms, effective from 4 May 2023, expanded AEMO powers under the National Gas Law (NGL) with tools to better monitor and manage the gas supply adequacy and reliability risks from winter 2023.

The proposed Stage 2 RSA reforms are intended to complement stage 1, enhance the timeliness and efficiency with which market participants can respond to reliability and supply adequacy threats, and to only require AEMO to intervene as a last resort. The proposed RSA framework was largely adapted from the national electricity market (NEM) reliability framework and AEMO's related functions in the NEM.

### The proposed changes seek to provide a high-quality, systematically produced suite of information on gas supply, demand, and transport capability in the ECGS

The rule change request is accompanied by an ECGS PASA feasibility report from AEMO, which identifies a suite of changes that would need to be made across Part 18, 19, 20, and 27 of the NGR to ensure AEMO has access to the data it needs to produce the proposed PASA forecasts. These changes would aim to make sure that there are no gaps in the data collected by AEMO, and that it is of a sufficient quality to underpin the integrity of the PASA.

The proposal provides for AEMO to develop and set out its modelling processes and methodologies to prepare the demand forecasts and other inputs to the ST and MT PASA

in the ECGS procedures.

The outputs of the PASA are proposed to include the following outputs, published in a manner and form set out by AEMO in the ECGS procedures:

- the forecast demand for gas, including the assumed level of gas powered electricity generator (GPG) demand in these forecasts
- the forecast supply of gas (including from production facilities, storage facilities and any LNG import facilities)(ST PASA only)
- the aggregate capacity of bulletin board supply facilities
- any reductions in the capacity of infrastructure involved in the supply of gas that may affect the volume of gas supplied
- actual or potential risks or threats to the reliability or adequacy of the supply of covered gas (ST PASA only)
- a reliability forecast that includes AEMO's assessment of whether the reliability standard is likely to be breached and, if so, the expected size, timing, duration and location of the breach (MT PASA only)<sup>1</sup>
- any other information specified by AEMO in the ECGS procedures

### Next steps

The AEMC requests **submissions to the consultation paper by 8 May 2025**. We will publish a draft determination for the rule change on 17 July 2025.

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<sup>1</sup> This is dependent on the development of an ECGS reliability standard, which is being progressed separately through another rule change request. For more information, see the *ECGS reliability standard and associated settings* [project page](#) .