

Notice of a Threat to System Security – Seeking a Market Response

Reference: *National Gas Rules (NGR), Part 19, Division 5, Subdivision 5, Notice of Threat to System Security*

Under rule 341 of the NGR, AEMO is notifying participants of a threat to system security in the Declared Transmission System, identified in the Victorian Gas Planning Report Update 2022 (Available here <https://aemo.com.au/en/energy-systems/gas/gas-forecasting-and-planning/victorian-gas-planning-report>).

From the information provided by registered participants and modelling conducted by AEMO for the 2022 VGPR Update, there is forecast to be insufficient contracted Dandenong LNG inventory available (including AEMO contracted quantities) for all operational and emergency scenarios from 1 May 2022. It is not currently possible to estimate an end date for the threat.

The estimated Dandenong LNG capacity required to respond to credible threat to system security events during winter 2022 has increased since winter 2021, to 128 TJ from 110 TJ. The requirement for 140 TJ to be reserved to facilitate a system shutdown during an emergency remains the same.

The current contracted quantity of 249 TJ is less than the 268 TJ required to cover the operational and emergency scenarios. As outlined in the VGPR Update, this number is expected to increase in 2023.

The threat to system security is likely to impact:

- | | | | |
|-------------------------------------|---------------------------|--------------------------|---------------------------|
| <input checked="" type="checkbox"/> | Total System | <input type="checkbox"/> | Melbourne Withdrawal Zone |
| <input type="checkbox"/> | Gippsland Withdrawal Zone | <input type="checkbox"/> | Northern Withdrawal Zone |
| <input type="checkbox"/> | Geelong Withdrawal Zone | <input type="checkbox"/> | Ballarat Withdrawal Zone |
| <input type="checkbox"/> | Western Withdrawal Zone | | |

A market response (per rule 342 of the NGR) to this notice may alleviate the threat to system security and remove the need for AEMO to act. Market participants are asked to re-evaluate their position.

- There will be a market notice to advise the removal of the threat to system security.
- AEMO reserves the right to determine an appropriate response if the market response is insufficient to avert the threat to system security. This includes adding additional quantities to the AEMO LNG Reserve.

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