|  |
| --- |
| gas supplyguarantee guidelines consultation |
|  |
| Final DETERMINATION |
| Published: **March 2020** |  |  |

Executive Summary

The publication of this Final Determination concludes the consultation process conducted by the Australian Energy Market Operator (AEMO) on an amendment to the expiry date in section 1.4(a) of the Gas Supply Guarantee Guidelines (the Guidelines).

On 19 February 2020, AEMO published a Notice of Guideline Consultation for the Guidelines (the Notice of Consultation). The Notice of Consultation outlined that:

* The Guidelines are currently set to expire on 31 March 2020.
* The Minister for Energy and Emissions Reduction wrote to AEMO to request that the Gas Supply Guarantee (GSG) framework be extended while further work is undertaken on the need to retain the GSG, or another similar mechanism.[[1]](#footnote-2)
* Amendments have been made to the Guidelines to change the expiry date in section 1.4(a) to 31 March 2023.

AEMO received three submissions to the Notice of Consultation from the Australian Petroleum Production and Exploration Association (APPEA), Australia Pacific LNG (APLNG) and Shell Australia Pty Limited (Shell). All submissions supported an extension of the term of the Guidelines to 31 March 2023.

Considering the submissions and the Minister’s request, AEMO’s final determination is to make a new version of the Guidelines with an expiry date in section 1.4(a) of 31 March 2023. The Guidelines published with this Final Determination will have effect from the date of publication.

# Stakeholder Consultation Process

AEMO consulted on the Guidelines following the timeline below.

|  |  |
| --- | --- |
| Deliverable | Date |
| Consultation Notice and amended Guidelines | 19 February 2020 |
| Closing date for submissions  | 18 March 2020 |
| Publication of the Final Determination and Guidelines | 25 March 2020 |

The publication of this Final Report marks the conclusion of this consultation.

# Background

The GSG was established in March 2017 to provide a mechanism to facilitate delivery of commitments made by gas Production Facility Operators and Pipeline Operators to make gas available at times of peak demand in the National Electricity Market.[[2]](#footnote-3)

Production Facility Operators propose to meet this commitment by making additional gas supply available to Gas Generators. The GSG mechanism is operationalised through the Guidelines which outline AEMO’s ability to:

* determine if a Gas Supply Shortfall exists using the Extended Pre-Dispatch Report in conjunction with Natural Gas Services Bulletin Board data;
* call an Assessment Conference to exchange information about electricity and gas supply and demand conditions to facilitate AEMO’s assessment of whether a Gas Supply Shortfall exists, or is reasonably likely to occur;
* call an Industry Conference for AEMO to confirm a potential Gas Supply Shortfall and to facilitate an industry response from Production Facility Operators, BB Storage Providers, Pipeline Operators and Gas Fired Generators.

Participants should note that a consequence of amending the expiry date will be that the confidentiality deeds previously entered into by participants to keep information provided at Assessment Conferences confidential will continue to apply until the new expiry date.

# FINAL Determination

AEMO received three submissions to the Notice of Consultation which all supported an extension of the term to 31 March 2023. Therefore, AEMO’s final determination is to publish a new version of the **Gas Supply Guarantee Guidelines** in the form published with this Final Determination with a new expiry date of 31 March 2023. No other material amendments have been made to the Guidelines.

1. Hon Angus Taylor, 2019. “Government seeks to extend the Gas Supply Guarantee”. Available: <https://www.minister.industry.gov.au/ministers/taylor/media-releases/government-seeks-extend-gas-supply-guarantee> [↑](#footnote-ref-2)
2. Hon Josh Frydenberg, 2017. “Gas pipeline companies to work with Turnbull government to ensure gas delivery”. Available: https://joshfrydenberg.com.au/latest-news/gas-pipeline-companies-to-work-with-turnbull-governmentto-ensure-gas-delivery/. Viewed: 20 August 2019. [↑](#footnote-ref-3)