

2022 GSOO update

27 January 2022 FRG Meeting

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Today's presentation *informs* on progress of the Gas Statement of Opportunities (GSOO) and how feedback has influenced it.

Today's update agenda includes:

- Progress on consumption forecasts
- Actions arising from stakeholder feedback
- Next steps

Timing	Relevant topic	Responsible
Nov 2021	Discussions on 2022 GSOO inputs	AEMO
Today	Feedback to the FRG	AEMO
Mar 2022	GSOO Released	AEMO

Since the November 2021 draft GSOO FRG presentations, AEMO has updated gas consumption forecasts* by finalising model inputs, including:

- Multi-sector drivers, such as the electrification of gas
- Energy efficiency
- Gas prices
- Latest actual gas consumption data

*Adjustments to annual gas consumption influence the peak day forecasts, in accordance with AEMO's gas demand forecasting methodology.

Component	Topic	FRG member	Actions in the 2022 GSOO
Consumption	Representation of scenarios and assumptions – need to be clearer on exogenous inputs vs outcomes	Damian Dwyer (APPEA) John Cheong-Holdaway (Jemena) Ron Logan (Shell)	2022 GSOO to clarify exogenous variables, and reiterate that scenarios and sensitivities are not predicted outcomes, rather they cover a range from likely out to the 'bookends' of possible outcomes.
Consumption	Modelling of least cost path to NetZero	John Cheong-Holdaway (Jemena) and Nick Cimdins (AusNet)	Out of scope for GSOO
Consumption	Unlikelihood of full electrification	Ron Logan (Shell)	The GSOO will not assume full electrification for all industry sectors, recognizing the sectors that are hard to electrify (this was present within the 2021 IASR's multi-sectoral forecast). The GSOO will highlight where input assumptions are published, including the level of electrification.
Consumption	Price impacts of fewer connections, reducing viability of gas networks	Nick Cimdins (AusNet)	Out of scope for GSOO, but noted as a topic for government/gas network planner (APA) review.
Gas generation	Communications around gas generation forecasts, including increasing peakiness and requirement for gas to support the NEM	John Cheong-Holdaway (Jemena) Stephen Coghlan (Jemena) Ben Skinner (AEC)	GSOO to highlight the ongoing gas needs across the 20 year forecast period, and peak day delivery over the next decade. It will also emphasize the responsibilities of government and gas network planners in this area.
Gas generation	Forecast of gas generation output has been routinely underestimated historically and by significant amounts recently.	John Cheong-Holdaway (Jemena)	Gas generation forecasts are reviewed annually, including overall electricity demand. A review of the accuracy of each forecast is part of the GSOO's content. As per 2021 GSOO, additional sensitivities will provide a range of outcomes, beyond a central point forecast.

AEMO encourages feedback to the Draft [2022 Forecasting Assumptions Update](#) consultation, which will inform publications from the 2022 ESOO onwards.

- The 2022 GSOO will be published in March.
- Planning for the next GSOO cycle commences with Presentation 3 today, which discusses engagement for the 2023 IASR