

17 April 2025

Australian Energy Market Commission



Submitted online

Gas Reliability Standard - Initiation

The Australian Financial Markets Association (AFMA) is responding to Energy Minister's East Coast Gas Reliability Standard and Associated Settings rule change request.

AFMA is the leading financial markets industry association promoting efficiency, integrity and professionalism in Australia's financial markets, including the capital, credit, derivatives, foreign exchange, energy, carbon, and other specialist markets. Our membership base is comprised of over 130 of Australia's leading financial market participants, including many energy firms who are key participants in the east coast gas market.

Key Points

- **AFMA supports the proposed introduction of a gas reliability standard and formalised reviews of gas market settings**
- **The standard should be set by an independent panel rather than the AEMC**

The events of winter 2022 highlighted the importance of ensuring that appropriate tools are in place to manage supply threats. AFMA supports establishing a gas reliability standard to guide AEMO's performance of its gas security and planning functions. Participants require certainty about when AEMO will use its powers to intervene in the market to give them greater confidence to transact in the market. A reliability standard is a necessary starting point in providing this certainty, although we note that how the standard is integrated with potential interventions, including the relevant timeframes, is equally important.

Ensuring that the reliability standard is set appropriately will be critical for its success AFMA therefore think that the standard should be developed in close cooperation with the industry. We consider that the approach adopted in electricity of having an independent panel set the standard is preferable to the AEMC setting it.

Winter 2022 also drew attention to the need to ensure that market settings are reviewed regularly to ensure that they are at appropriate levels. AFMA therefore also supports formalising the framework for reviewing the gas market settings by the same body that sets the standard.

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AFMA Recommendations

- i. The reliability standard should be set by an independent panel.

AFMA would welcome the opportunity to discuss this submission further and would be pleased to provide further information or clarity as required. Please contact me at lgamble@afma.com.au or 02 9776 7994.

Yours sincerely,



Lindsay Gamble

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