

30 April 2026

Australian Energy Market Commission



Submitted online

## **Allowing AEMO to accept cash as credit support under the National Gas Rules**

The Australian Financial Markets Association (AFMA) is responding to the AEMC's consultation paper on Delta's rule change to allow AEMO to accept cash as credit support under the National Gas Rules.

AFMA is the leading industry association representing Australia's financial markets - including the capital, credit, derivatives, foreign exchange, and other specialist markets such as environmental products. We have more than 140 members, from Australian and international banks, leading brokers, securities companies, and state government treasury corporations to fund managers, energy firms, and industry service providers. Many AFMA members are key participants in the east coast gas market.

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### **Key Points**

- **AFMA supports the rule change**
- **A smaller cash limit may be appropriate**

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### **1. National reviews and reform**

As noted in the consultation paper both the NEM Market Settings Review and the National Electricity Market and Gas Market Review have recommended reviewing AEMO's credit support arrangements. The Gas Market Review recommended to harmonise the credit support requirements based on a participant's net trading position across all gas markets, instead of their absolute position in each market. AFMA agrees that there is a clear case for broad reviews of credit support arrangements in the energy market, but still considers that there is value in these changes and the similar ones made to the National Electricity Rules (NER) last year.

### **2. Support for the proposed change**

Notwithstanding our comments above, given that a similar change has already been designed and agreed upon in the NER, we believe it appropriate for this to be adopted, as proposed in the consultation paper, in the National Gas Rules (NGR).

AFMA agrees with Delta's points raised in favour of allowing cash as credit support in the NGR and brings the NGR in line with the NER. Affording market participants greater flexibility in how they provide credit support is a welcome market development, that may reduce costs for providing credit support, sends a positive market signal of dynamism, and we believe this rule change can be implemented relatively easily. AFMA was similarly supportive of such a change in the National Electricity Market last year.<sup>1</sup>

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<sup>1</sup> <https://www.afma.com.au/policy/submissions/2025/r21-25-cash-credit-support.pdf?ext=.pdf>

### 3. Cash limit

During consultation of arrangements for the NER rule change, AFMA was pleased to see the AEMC adopt AFMA's recommendation to move from a \$5 million to \$20 million cash limit. While AFMA appreciates the proposal to mirror this limit for gas, and makes no recommendation on a specific alternate figure, given the general smaller value of gas market credit support we think the AEMC could consider if a smaller value limit would be appropriate for gas markets.

### 4. Implementation considerations

As noted in the consultation paper, we appreciate that the electricity and gas markets have a number of key differences. Most notably with their being three distinct gas markets with separate credit support providers. Nevertheless, we believe the AEMC can proceed with this rule change whilst it considers how this can be worked through.

With AEMO commencing the change for the NER in November, they are well versed in implementation considerations and any associated costs, and as such, AFMA recommends that the AEMC directly engage AEMO on this.

#### **AFMA Recommendations**

- i. Implement Delta's rule change request
- ii. Consider if a smaller cash limit may be more appropriate and aid further risk reduction
- iii. Engage AEMO on implementation of the NER rule change and associated costs

AFMA would welcome the opportunity to discuss this submission further and would be pleased to provide further information or clarity as required. Please contact Monica Young via [myoung@afma.com.au](mailto:myoung@afma.com.au) or 02 9776 7917.

Yours sincerely,

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