

ECGS Conference Agenda & Minutes	Chair:	Matthew Clemow	Start:	13:00 AEST 20 June 2024	End:	13:48 AEST 20 June 2024
<p>Roll Call. Taken by AEMO.</p>						
<p>Competition Law Protocol has been communicated. Attendees to refer to AEMO "<i>East Coast Gas Reliability and Supply Adequacy Conference, Competition Law Protocol</i>" (as distributed in meeting invite).</p>						
<p>Conference Purpose: To signal the need for an industry response to a potential risk or threat to covered gas supply in the southern jurisdictions due to high GPG demand and lower Longford production.</p>						
<p>AEMO comment:</p> <p>Refer to the presentation material "<i>ECGS Potential Threat 20 June 2024</i>" provided as an attachment.</p> <p>Key Points:</p> <ol style="list-style-type: none"> Heavy Iona underground gas storage (UGS) inventory drawdown: <ul style="list-style-type: none"> - High levels of gas generation demand since 15 May 2024 with 12.5 petajoules (PJ) of consumption in the southern states, surpassing previous high levels of GPG demand during winter 2021 and 2022 that were cause for concern. - System demand is normal, consistent with recent years. Queensland Gas Flows: <ul style="list-style-type: none"> - After lower flows during May, average South West Queensland Pipeline flows to the southern states (measured at Wallumbilla) have increased to around 500 TJ/day, flow today at 532 TJ/day on the Gas Bulletin Board, with an Amber linepack flag indicating full capacity usage with no spare capacity. Storage Levels: <ul style="list-style-type: none"> - Due to inventory drawdown, Iona UGS and Newcastle LNG storage is currently at 67% and 77% respectively. - Iona UGS inventory reduction has been averaging around 300 TJ/d, but it had been 400 TJ/d during recent days. - Daily Iona UGS inventory drawdown needs to reduce to around 200 TJ/day (on average) to prevent depletion prior to the end of winter. Production Issues: <ul style="list-style-type: none"> - Unplanned maintenance issues have delayed Longford production increasing to the forecasted winter capacity of 775 TJ/d. - Longford production increased today and is forecasted to increase towards 690 TJ/d over the next week, then increase to 775 TJ/d by late this month or early in early July. 						

- Additional gas is being produced by the Otway Gas Plant in Port Campbell following the start-up of the Enterprise gas field, adding about 50 TJ/d.

5. Peak Day Supply Adequacy:

- Supply is expected to be sufficient if Longford production increases as forecast, supply from Queensland runs at maximum capacity, all production facilities in the southern states operate at normal full production levels, and gas generation is not higher than current levels.

6. Iona UGS inventory outlook and monitoring:

- Longford production is forecasted to increase which is expected to slow the rate of Iona UGS depletion. High demand and unplanned supply interruptions are still a risk that may lead to early storage inventory depletion. Newcastle LNG storage withdrawals are also expected to reduce with increased supply and lower gas generation demand. AEMO will continue to monitor this situation.

7. Threat Notice and Market Actions:

- AEMO is not intending to take further action (e.g., issue directions) at this stage but will continue to monitor the identified risk / potential threat.
- AEMO reminds Victorian DWGM participants of their obligations to keep AEMO informed if their supply and demand forecast has materially changed from information previously provided for the Victorian Gas Planning Report (NGR 324(5)).

Industry stakeholder comment:

Q: Will AEMO be providing updates to the potential threat?

A: AEMO convenes a fortnightly industry conference which will include updates on this issue.

Supplementary answer: In accordance with NGR 696 AEMO will, as soon as reasonably practicable, publish notice of variation or revocation of the potential threat if AEMO considers there is a material change in the nature or circumstances of the identified potential threat or it is necessary to publish further information relating to the nature or circumstances of the identified potential risk threat or the industry response specified in AEMO's risk or threat notice.

If an industry representative would like to be added to the fortnightly industry conference, please direct requests to Danielle.Freke@aemo.com.au.

Alternative views expressed by other parties/ other comments:

No alternative views given.

ECGS Supply Adequacy Potential Threat

Seasonal supply adequacy in
southern jurisdictions – Winter 2024

20 June 2024



We acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, waters and culture.

We pay respect to their Elders past and present.

1.1 - Conference Housekeeping

- Please mute your microphone, this helps with audio quality as background noises distract from the information being shared.
- Video is optional, but having it turned off helps with performance and minimises distractions.
- We ask that you utilise the Chat function for any questions or comments you may have. This aids note keeping and keeps discussions flowing smoothly.
- Raise your hand if you wish to speak to an item. This keeps conversations orderly.
- If you have dialled in via phone, please email ECGS_notices@aemo.com.au your name and organisation for our records.
- Please do not place the call on hold.
- If your name appears abbreviated on Teams, please add your name and organisation to the chat for our records.
- Be respectful of all participants and the process
- This is an industry forum. Any media, please contact AEMO's media (media@aemo.com.au) if you require any information.
- Be respectful of all participants and the process.

1.2 - AEMO Competition Law Meeting Protocol

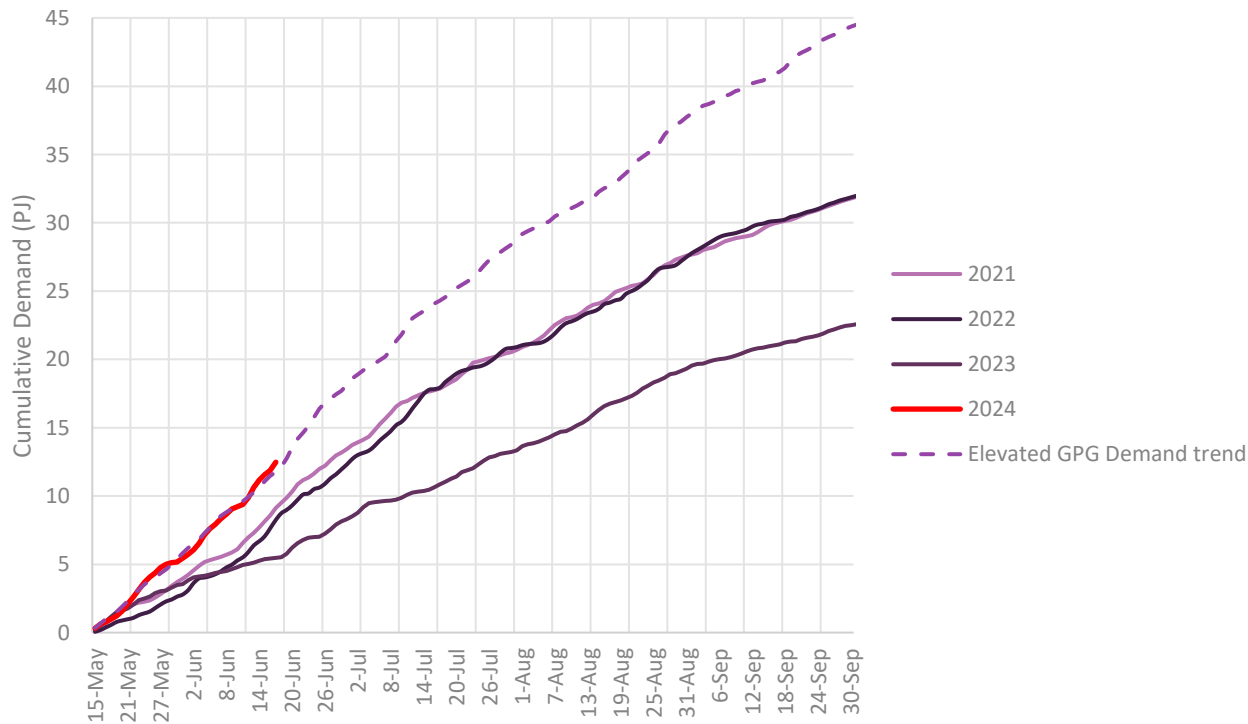
- AEMO is committed to complying with all applicable laws, including the Competition and Consumer Act 2010 (CCA). In any dealings with AEMO regarding proposed reforms or other initiatives, all participants agree to adhere to the CCA at all times and to comply with this Protocol. Participants must arrange for their representatives to be briefed on competition law risks and obligations.
- Participants in AEMO discussions must:
 - Ensure that discussions are limited to the matters contemplated by the agenda for the discussion
 - Make independent and unilateral decisions about their commercial positions and approach in relation to the matters under discussion with AEMO
 - Immediately and clearly raise an objection with AEMO or the Chair of the meeting if a matter is discussed that the participant is concerned may give rise to competition law risks or a breach of this Protocol
- Participants in AEMO meetings must not discuss or agree on the following topics:
 - Which customers they will supply or market to
 - The price or other terms at which Participants will supply
 - Bids or tenders, including the nature of a bid that a Participant intends to make or whether the Participant will participate in the bid
 - Which suppliers Participants will acquire from (or the price or other terms on which they acquire goods or services)
 - Refusing to supply a person or company access to any products, services or inputs they require
- Under no circumstances must Participants share Competitively Sensitive Information. Competitively Sensitive Information means confidential information relating to a Participant which if disclosed to a competitor could affect its current or future commercial strategies, such as pricing information, customer terms and conditions, supply terms and conditions, sales, marketing or procurement strategies, product development, margins, costs, capacity or production planning.
- AEMO has published its Competition Law Meeting Protocol on the AEMO website. For further information, please see the Competition and Consumer Act.

Southern Zone Winter Demand

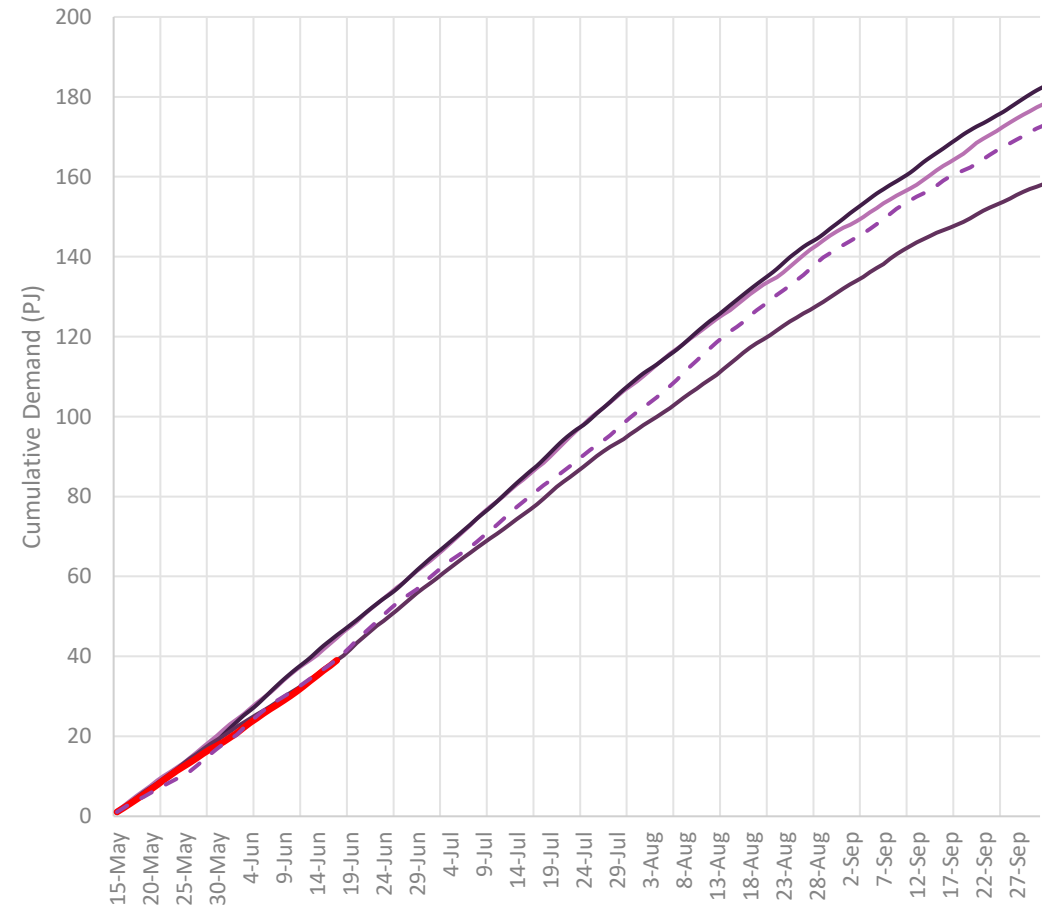
Cumulative demand for period 15 May to current (and equivalent from previous years)

Year	System	GPG	Total
2021	44,645	9,120	53,765
2022	45,331	8,243	53,574
2023	39,047	5,476	44,523
2024	39,018	12,470	51,488

Southern Jurisdiction GPG Demand



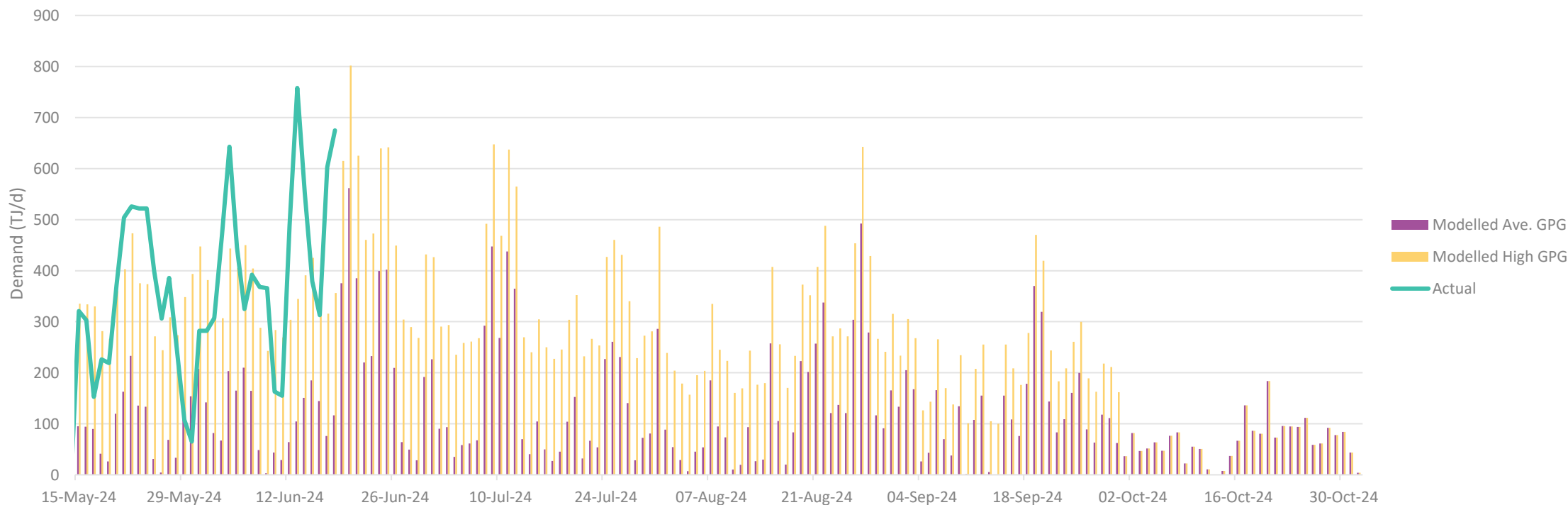
System Demand



Modelled GPG Demand

AEMO model a range of demand scenarios to assess supply adequacy risk. Charts presented in this pack are based on the two GPG demand scenarios given below in combination with a common System demand case. Demand scenarios are based on demand forecasts presented and used in the 2024 Gas Statement of Opportunities.

Southern Jurisdiction GPG Demand

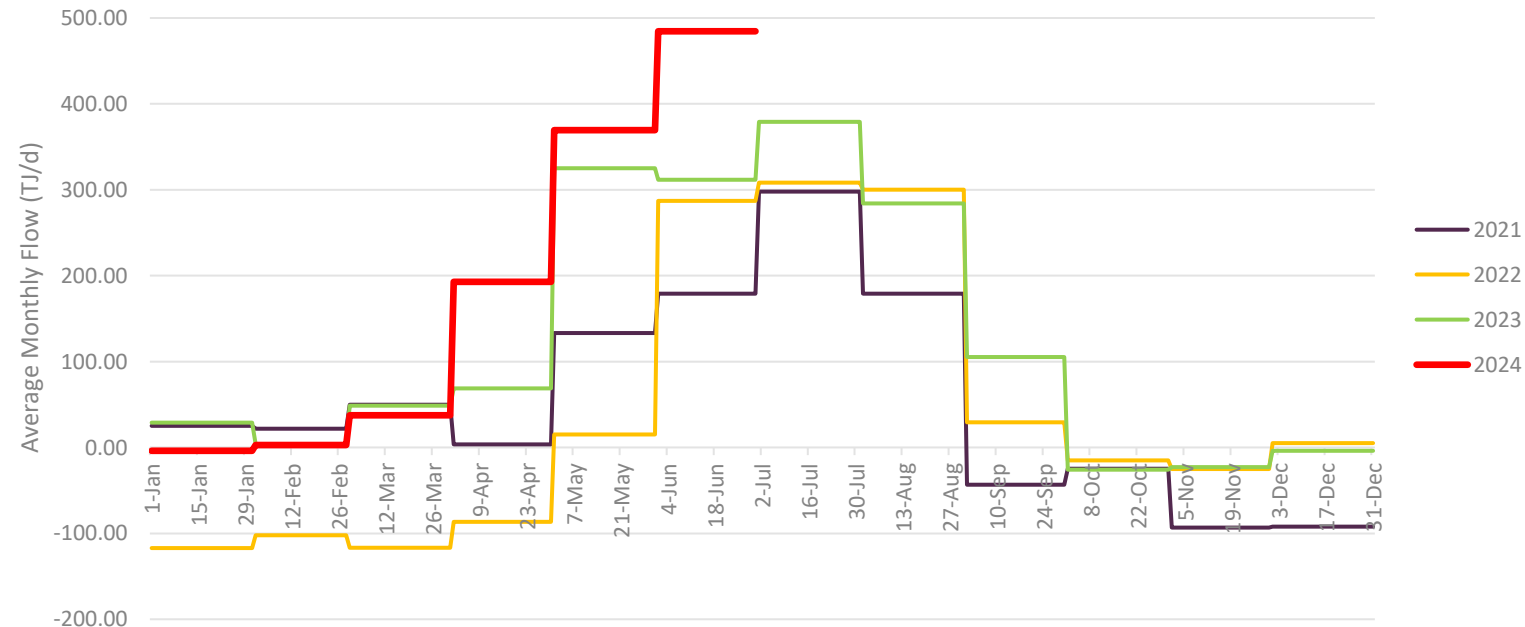


South West Queensland Pipeline

Historically high actual SWQP flows supporting:

- Mt Isa demand influenced by zero supply from NT; and
- Southern demand influenced by reduced southern production and high southern GPG.

Average Actual Monthly SWQP-Wallumbilla Flows



Highest SWQP flows since 1 Jan 2019

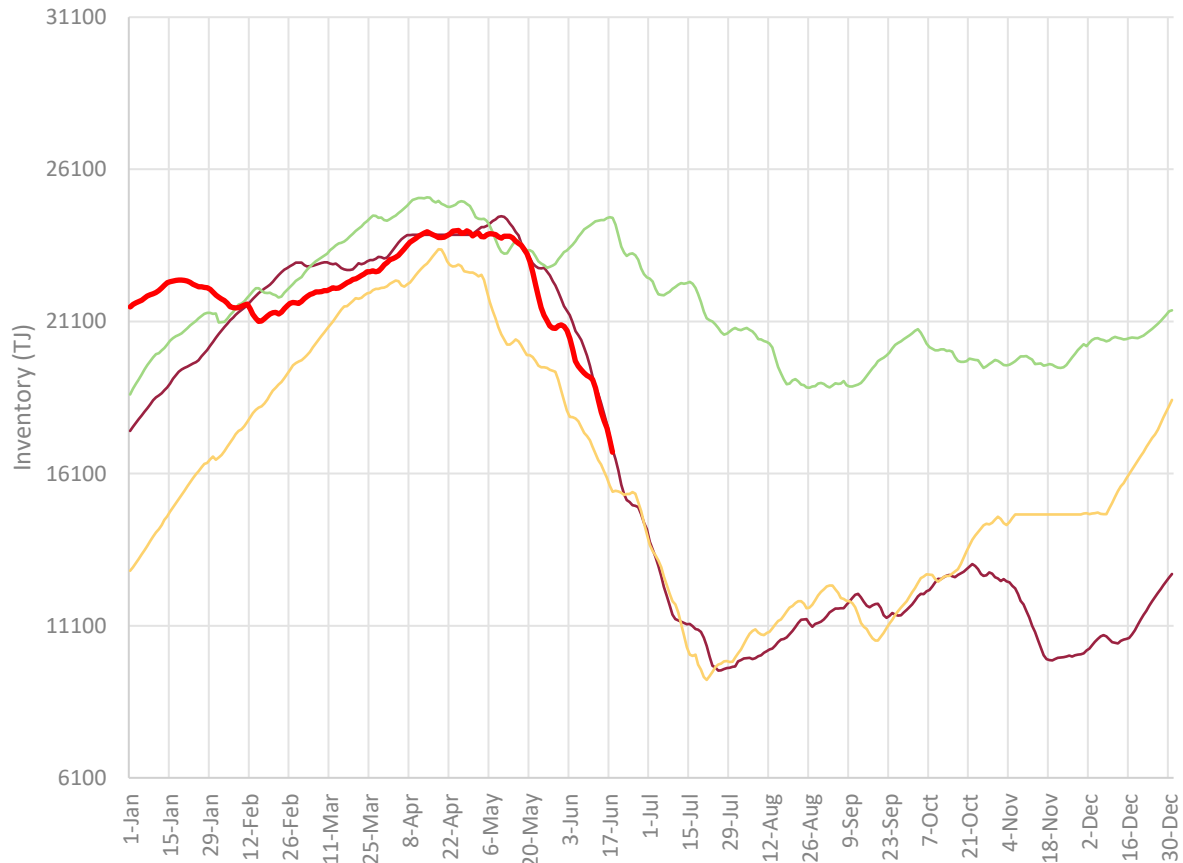
Ranking	Date	Actual
1	04-Jun-24	580
2	05-Jun-24	540
3	25-May-24	533
4	06-Jun-24	533
5	17-Jun-24	515
6	07-Jun-24	506
7	08-Jun-24	502
8	18-Jun-24	502
9	15-Jun-24	501
10	14-Jun-24	499

Facility Operator reported maximum capacity for SWQP is 512TJ/d

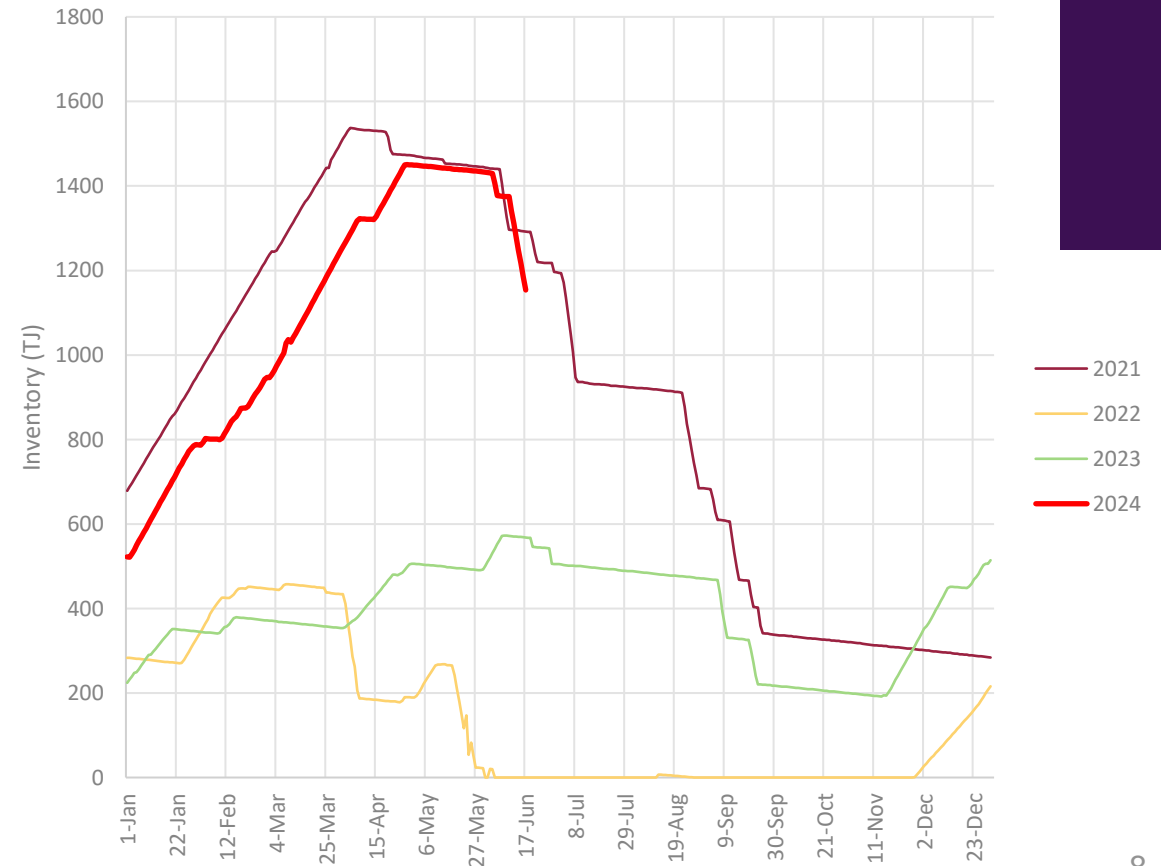
Southern Zone Storage Outlook

Inventory: recent IonaUGS draw down driven by higher demand and Production facility maintenance.

IonaUGS actual inventory



Newcastle LNG actual inventory

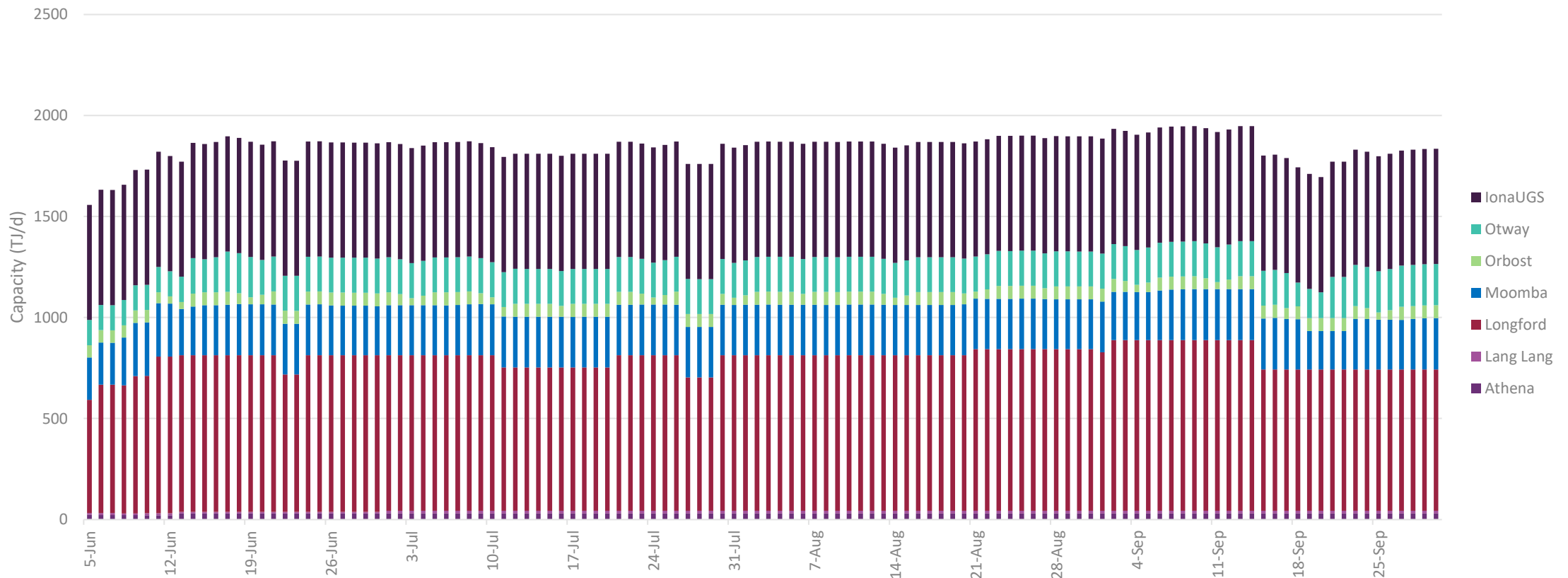


Southern Zone Production Outlook

Longford extended maintenance constrained production down to 580 TJ/d and is expected to be below 700 TJ/d until next week. Reported to increase to 775 TJ/d from 27 June 2024, but capacity reductions during July and August.

Otway Gas Plant increased production to 173 TJ/d for remainder of winter with the commissioning of the Enterprise gas field.

Moomba Gas capacity ranging between 260 and 270 through to 19 September.



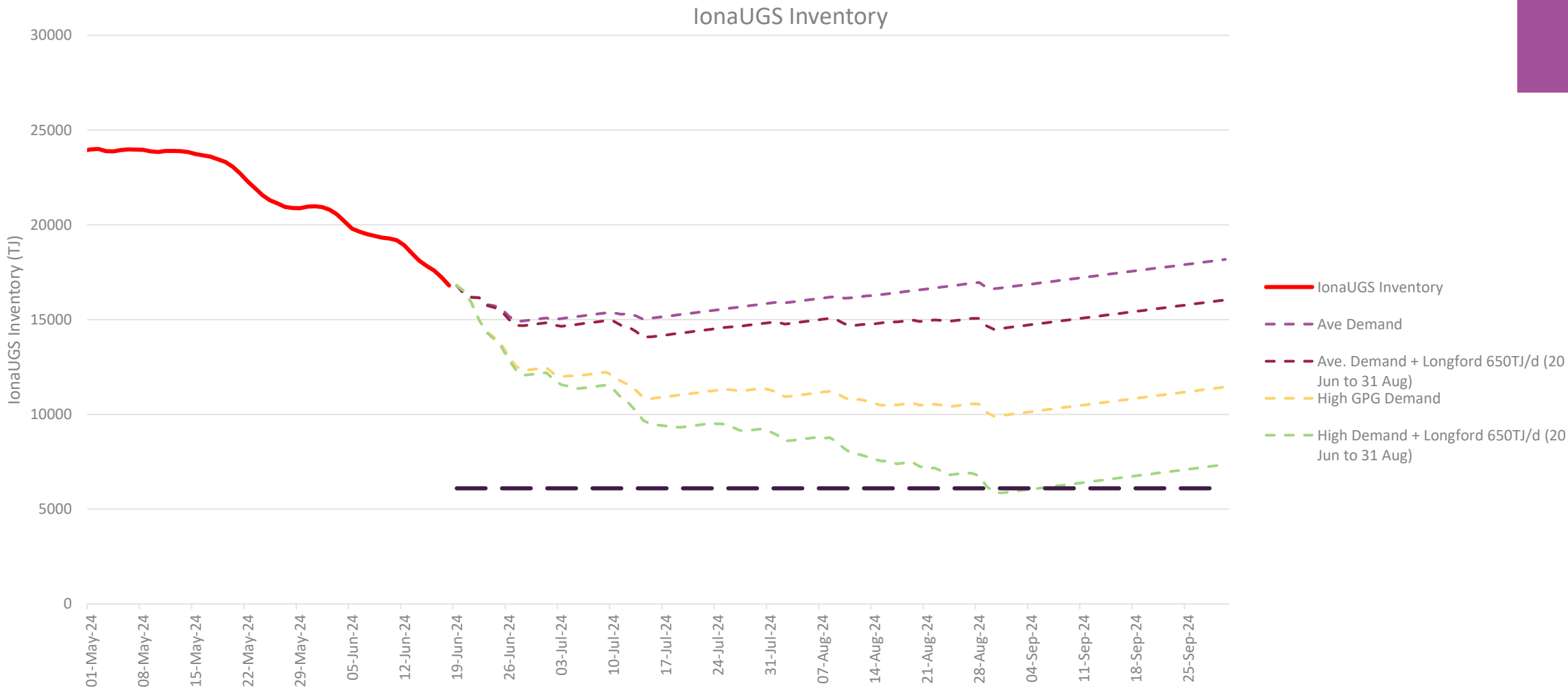
Southern Peak Day Adequacy

Adequate capacity to meet peak day demand with all supply facilities available and Qld flows south maximised.

Sth Peak Day Supply Adequacy



Modelled IonaUGS Inventory



Inventory forecast assumes SWQP flows taking gas out of Wallumbilla at maximum pipeline capacity (512 TJ/d).

ECGS Potential Threat

- Recent gas supply and demand trends for the southern jurisdictions (NSW, ACT, VIC, SA & TAS.) indicate there is the potential for gas supply shortfalls due to the depletion of southern storage inventories, particularly Iona UGS.
- High Gas Powered Generation demand combined with lower than forecasted Longford Gas Plant production due to an unplanned outage extension has resulted in a high rate of Iona UGS inventory depletion.
- The Facility Operator of the Longford Gas Plant (FacilityID: 530040) has reported that offshore maintenance will continue to constrain production capacity to a lower than forecast level through to at least 1 July 2024. Refer to AEMO Gas Bulletin Board, Medium Term Capacity Outlook for detail <https://aemo.com.au/energy-systems/gas/gas-bulletin-board-gbb/data-gbb/gas-flows>;
- Constrained Longford production capacity in combination with high winter seasonal demand and the potential for continued high gas generation demand will continue result in continued high withdrawals from the Storage facilities located in the southern jurisdictions (Iona UGS, Newcastle LNG and Dandenong LNG) and reduce the storage inventory in these facilities.
- Further storage inventory depletion may occur if an unplanned event occurs that impacts either gas demand (e.g., Gas Powered Generation) or supply (production, storage or pipeline constraint).
- Low or depleted storage inventory will result in reduced gas supply capacity in the southern jurisdictions.
- Reduced storage facility delivery capacity may pose a risk to gas supply adequacy in southern jurisdictions on peak demand days during the winter peak demand period (through to 30 September 2024).

Requested industry response

The industry response, if any, AEMO consider necessary to mitigate the threat is:

- Producers (including Queensland Producers), Transmission Pipeline Operators, Storage Providers, Shippers and Market Participants in the gas supply chain delivering gas to end users in the southern jurisdictions, to take reasonable measures to maximise production and supply from Queensland to the southern jurisdictions to reduce the rate of storage inventory depletion.
- Relevant entities (as defined in the NGL) to consider their demand requirement (including Gas Powered Generation) and source of supply to meet that demand, for the remainder of the winter period, and within the following locations:
 - off takers located within the southern jurisdictions; and
 - off takers located on the South West Queensland Gas Pipeline and the Carpentaria Gas Pipeline



For more information visit
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