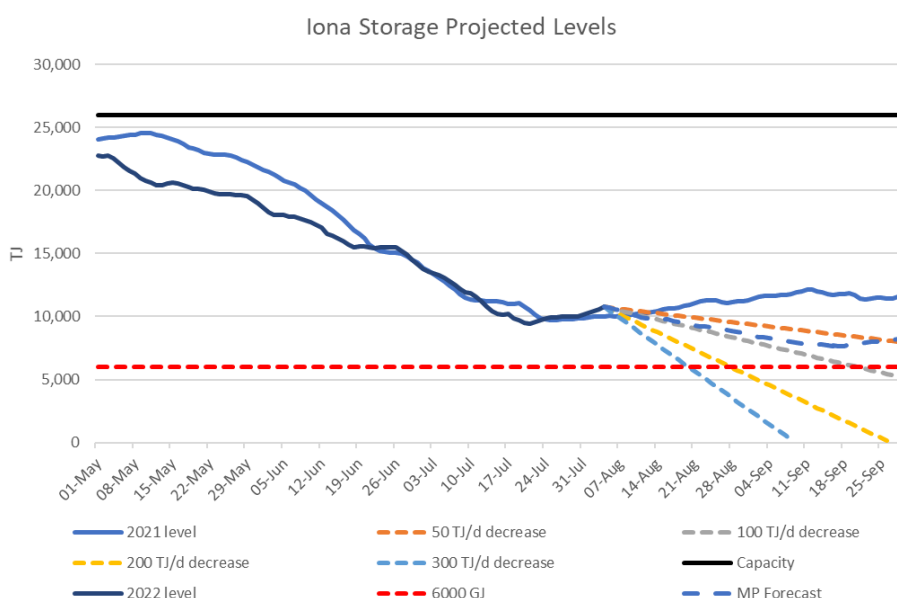


Notice of a Threat to System Security – Seeking a Market Response

Reference: National Gas Rules (NGR), Part 19, Division 5, Subdivision 5, Notice of Threat to System Security

Under rule 341 of the NGR, AEMO is revising the threat to system security notices issued on 11 and 18 July 2022 for the Declared Transmission System, due to low Iona underground gas storage (UGS) inventory and the risk of supply shortfalls due to Iona inventory depletion this winter.

AEMO has reviewed the information provided by Market Participants and assessed that the risk for Iona inventory depletion continues to exist, although since 21 July Iona inventory has increase slowly from 9.4 PJ on 21 July to 11 PJ on 7 August. The blue dashed 'MP Forecast' line on the 'Iona Storage Projected Levels' graph below represents the information provided in response to the data request on 18 July 2022. Based on the information provided, if supply and demand is as forecast, Iona inventory is expected to stay above the 6,000 TJ.



Based on the improved Iona inventory, increased gas supply from Queensland and reduced gas generation demand, AEMO is undertaking a gradual easing of the request to cease purchasing gas from the DWGM (i.e. DTS withdrawals that are not supported by gas supply into the DTS).

This easing of requests under the Threat to System Security has resulted in:

1. From 2 August 2022, Market Participants are no longer requested to support controllable withdrawals from the DTS into Iona UGS with corresponding supply.
2. From the start of gas day 11 August, AEMO will also issue amended Directions to allow limited net withdrawals from the DWGM by Victorian gas generators. AEMO will notify impacted Market Participants of the quantity of gas that can be purchased from the DWGM.

With this revised threat to system security notice, Market Participants are still requested to:

- cease purchasing gas from the DWGM via controllable withdrawals from the DTS, unless withdrawing from DWGM into Iona UGS (i.e. not bid for controlled withdrawals of gas from the DTS without corresponding gas supply scheduled for injection into the DTS).

AEMO will continue to monitor market outcomes and assess the outlook for Iona inventory. AEMO will provide further updates to the market as the outlook changes.

This threat to system security will continue until 30 September 2022, or until a time that AEMO otherwise considers that the threat to gas supply caused by Iona inventory depletion has subsided.

AEMO may take further action if it is not satisfied that Iona inventory is sustainable.

There will be a market notice to advise the removal of the threat to system security.

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