

Notice of the end to a Threat to System Security

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

Under rule 341(5) of the NGR, AEMO is informing Market Participants that the threat to system security identified on 29 March 2022 due to insufficient contracted Dandenong LNG inventory available for all operational and emergency scenarios has ended. This threat was identified in the 2022 Victorian Gas Planning Report (VGPR) Update.

In June 2022, Australia's energy ministers¹ noted the importance of gas storage facilities, particularly in light of the challenges facing the east coast energy market, and determined that an urgent rule change should be submitted to the Australian Energy Market Commission (AEMC) to ensure the Dandenong LNG facility's storage inventory is maximised and made available to AEMO to reduce the risk of peak day gas supply shortfalls.

After consultation was completed, the AEMC published a final set of rules on 15 December 2022² requiring AEMO to contract any uncontracted capacity within the tank and to fill that capacity to reduce the likelihood of curtailment within Victoria.

Consequently, the threat to system security relating to insufficient contracted Dandenong LNG inventory has ended.

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Matthew Clemow Group Manager Gas Markets and System Operations Australian Energy Market Operator

¹ Energy Ministers, "Energy Ministers Meeting Communique – 8 June 2022", 8 June 2022, at https://www.energy.gov.au/sites/default/files/2022-08/Energy%20Ministers%20Meeting%20Communique%20-%208%20June%202022.docx.

² AEMC, "DWGM interim LNG storage measures", 15 December 2022, at https://www.aemc.gov.au/rule-changes/dwgm-interim-lng-storage-measures.