



**We acknowledge the Traditional Custodians of the land, seas and waters across Australia. We honour the wisdom of Aboriginal and Torres Strait Islander Elders past and present and embrace future generations.**

We acknowledge that, wherever we work, we do so on Aboriginal and Torres Strait Islander lands. We pay respect to the world's oldest continuing culture and First Nations peoples' deep and continuing connection to Country; and hope that our work can benefit both people and Country.

**'Journey of unity: AEMO's Reconciliation Path' by Lani Balzan**

AEMO Group is proud to have delivered its first Reconciliation Action Plan in May 2024. 'Journey of unity: AEMO's Reconciliation Path' was created by Wiradjuri artist Lani Balzan to visually narrate our ongoing journey towards reconciliation - a collaborative endeavour that honours First Nations cultures, fosters mutual understanding, and paves the way for a brighter, more inclusive future.

Read our  
RAP



# Today's agenda

#	TIME	ITEM	SPEAKER
1	10:00 – 10:15	Welcome and Opening Remarks (Including Intro to Slido)	Matthew Clemow
3	10:20 – 10:40	ECGS Events 2025	Rob Dickie
4	10:45 – 11:10	Gas Markets Review	Darryl White
5	11:15 – 11:55	Summary of Reforms, both Complete and In-progress	Luke Garland
6	12:00 – 13:00	Lunch	
7	13:05 – 13:25	NEM Short Term Forecast/Outlook	Dalibor Balicevic
8	13:30 – 13:50	ECGS 6 Month Forecast	Will Baskerville
9	13:55 – 14:25	Insights from the VGPR and GSOO	Thanh Nguyen / Eve Phyu
10	14:30 – 14:50	Questions and Wrap Up	Matthew Clemow

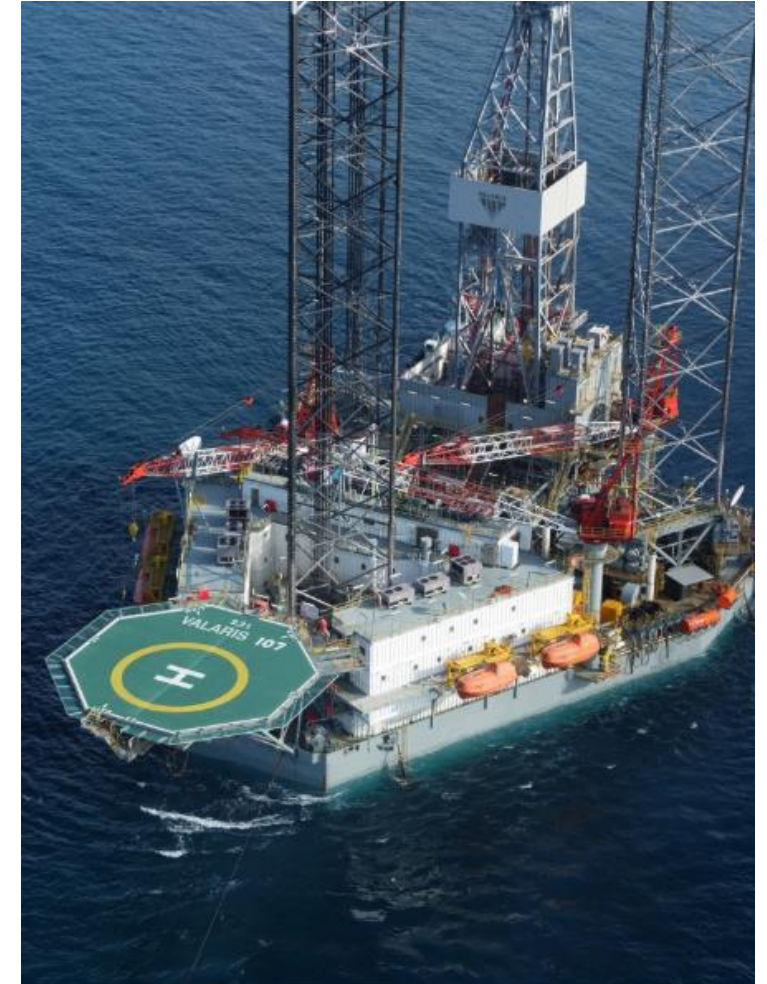
# Winter 2026 focus

- Monitoring East Coast Gas System supply from Queensland amid international events
- Forecast decline in Longford Gas Plant capacity
- Wind and solar generation output uncertainties – possible low output during June
- Demand uncertainty – another warm April, continuing into May, reducing gas demand overall
- Increasing electricity demand – winter electricity demand records and record winter GPG demands
- Iona inventory management



# Longford Turrum Phase 3 Drilling

- The GBJV Turrum Phase 3 development project includes the drilling of five new production wells at the Marlin B platform.
- Periods of very low Longford production capacity required during December 2025 for rig mobilisation.
- Low Longford production capacity required during September 2026 for rig demobilisation.
- Project supports Longford production capacity during winter 2027.



# Dandenong LNG

- AEMO first contracted capacity in January 2022 in response to the Notice of a Threat to System Security that was issued in March 2021 due to insufficient contracted LNG capacity for emergency management.
- Increased during winter 2022 so AEMO held full emergency management stock
- AEMO contracted all uncontracted capacity from March 2023 in response to a Victorian Government initiated rule change ending in December in 2025
- November 2025 rule change to extended AEMO contracting requirement until the end of 2029 – new agreement with APA.
- From 1 May 2026 all Dandenong LNG capacity contracted by market participants – AEMO LNG stock sold.

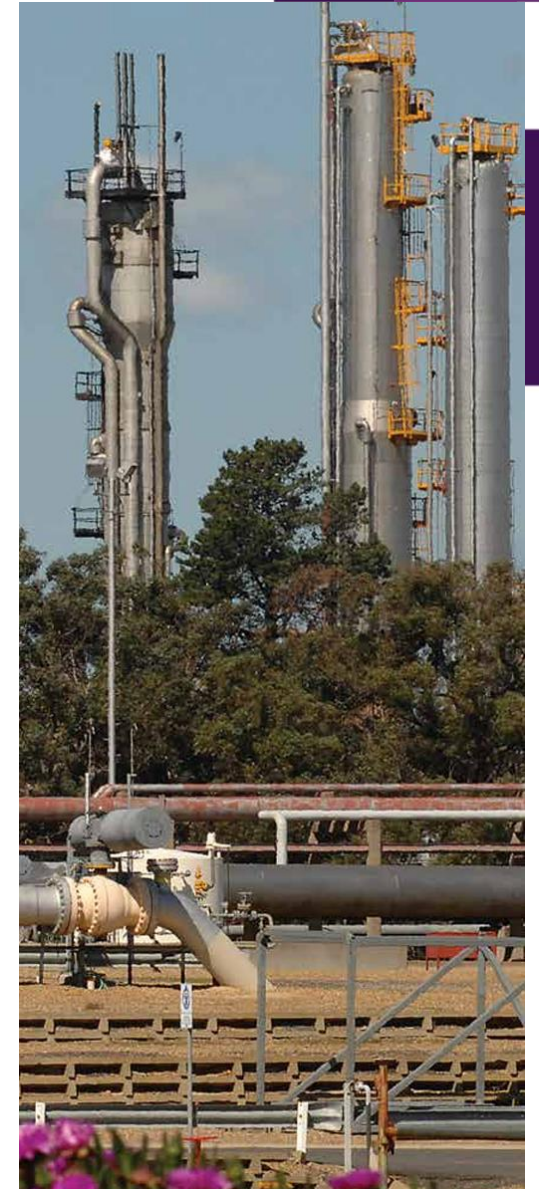


Thu, 9 Apr at 4:17 PM

In accordance with the Wholesale Market Operation Procedures (Victoria) AEMO is offering to sell LNG stock to all Market Participants with available DLNG storage capacity. See email for more information.

# Longford decline

- The decline in Longford production was highlighted in the 2018 VGPR Update.
- AEMO has highlighted the reduced redundancy and resilience of the Longford production system due to the depletion of the large legacy gas fields for several years.
- Longford Gas Plant 1 and the Crude Stabilisation Plant have been retired, resulting in reduced redundancy and slower production ramping due to increased liquids in the offshore gas gathering pipelines.
- The low Longford capacity during the drilling rig mobilisation in December 2025 indicated the remaining Snapper and Barracouta production capacity.
- Longford production is now very dependent on compression and the Gas Conditioning Plant.

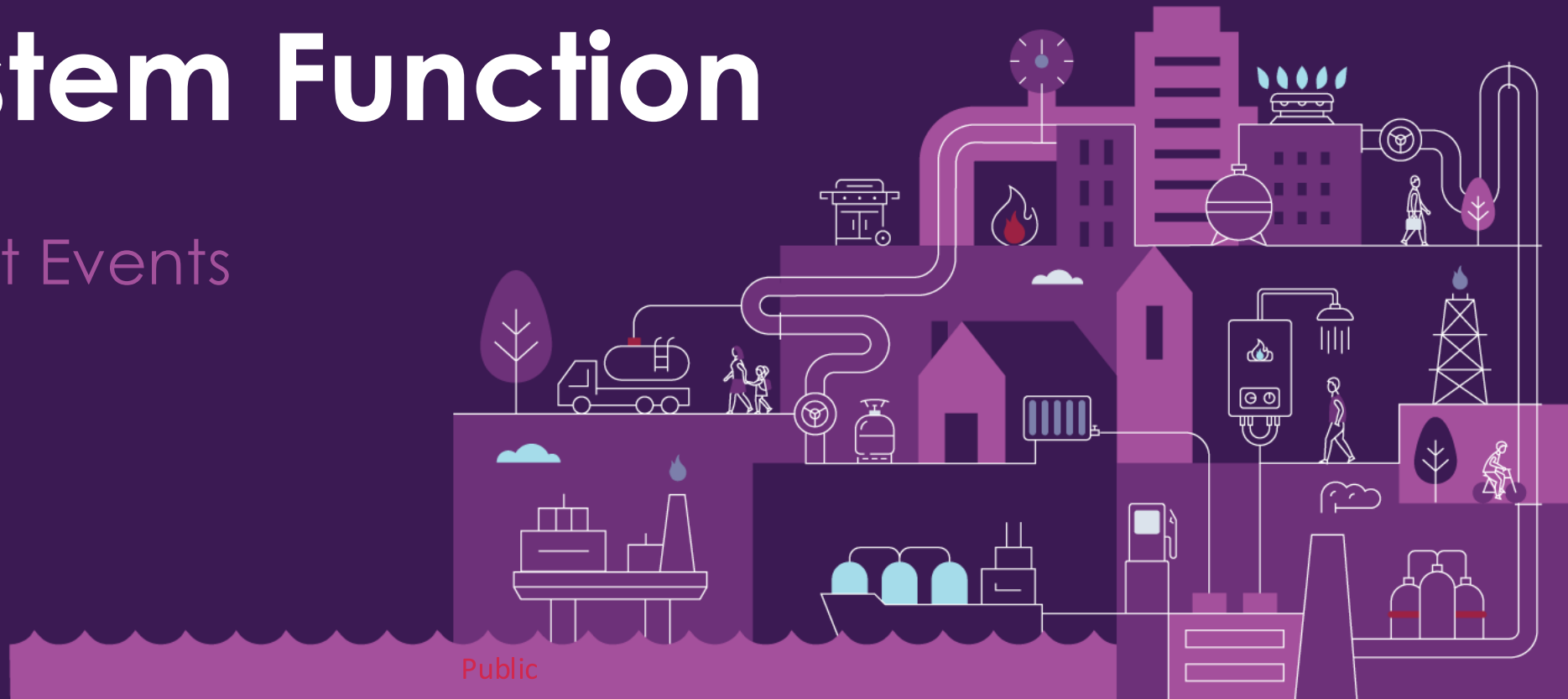




# AEMO's East Coast Gas System Function

2025 Significant Events

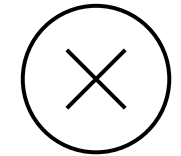
6 May 2026



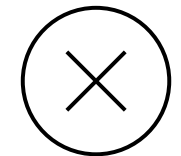
# AEMO's ECGS Function 2025



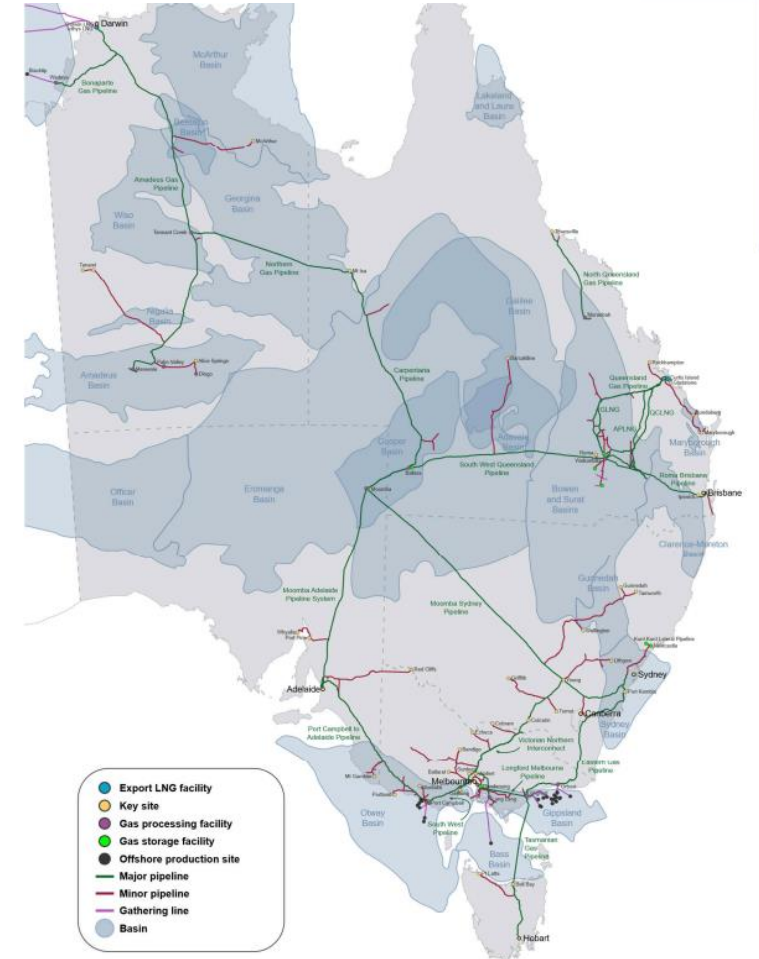
**Collect, monitor and publish information related to the supply of, and demand for, covered gas in the ECGS.**



Identify and communicate actual or potential risks or threats.



Intervene in the gas market to maintain or improve the reliability of adequacy of the supply of covered gas.



# Central Australian Flooding

## April 2025

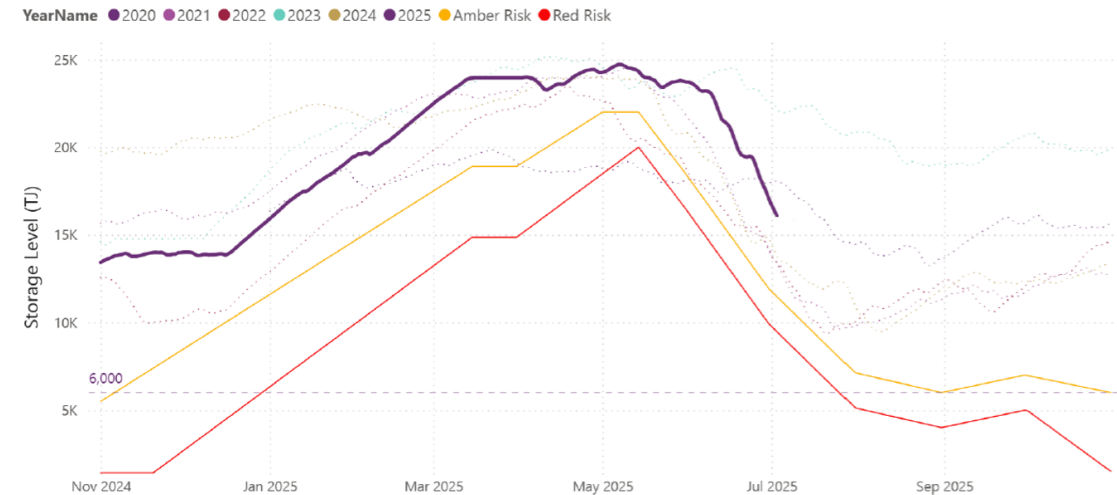
- Tropical Cyclone Alfred contributed to flooding in and around the Moomba Hub, reducing capacity at:
  - Moomba Gas Plant
  - Sout West Queensland Pipeline
  - Moomba to Adelaide Pipeline
- AEMO convened a gas supply adequacy and reliability conference:
  - Assess whether there was of was not a risk or threat to supply adequacy (there was not).
  - Provide Operators a forum to communicate impact.
- Contingency planning identified similar curtailment issues to that experienced in response to the Queensland Gas Pipeline.
- The event highlighted:
  - signalling framework does not support communication of lower tier risks and related information.
  - Any necessary curtailment could result in high consequences to some end users (e.g. Whyalla Steel Works).



# Wind Drought and High GPG

## June 2025

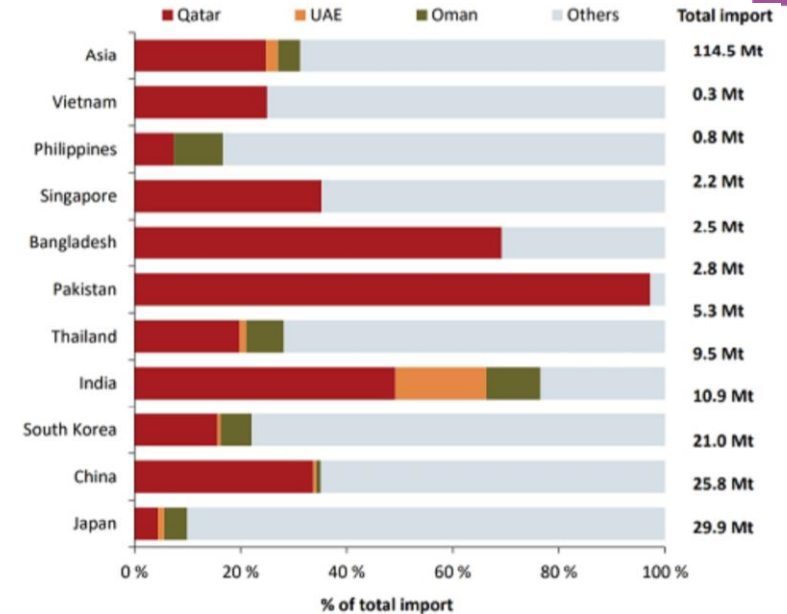
- Slow moving high-pressure systems over southern-Australia created large areas of stable air and low wind.
  - observed in 2024 and contributed to an ECGS Risk or Threat Notice.
  - CSIRO study finding low-pressure systems and fronts are becoming less frequent.
- Low wind drove high GPG and a rapid draw down of Iona Storage inventory
  - ECGS GPG demand re-set the winter high on 26 June (1,049 TJ). And 5 of the top 10 winter GPG demand days occurred in June.
  - Iona inventory fell 7PJ (29%) across a 24-day period.
- AEMO modelling indicated sufficient storage inventory for the remainder of the winter, and the event did not meet the risk or threat criteria defined in procedures.
- The event highlighted:
  - Increasing frequency of low wind periods driving elevated GPG demand.



# Iran – Israel Conflict

## June 2025

- Israel and Iran conflict led to Iran’s parliament voting on 23 June 2025 in support of closing the Strait of Hormuz.
  - Asia sources approximately 25% of its LNG from the region.
  - Analysis at the time indicated a potential increase in LNG spot price from US\$14 to \$30 mmbtu. (approx. \$46 /GJ at Wallumbilla – June ‘25).
  - Increased international prices would present exporters with an arbitrage opportunity if supply could be secured from the domestic market for increased spot cargos.
- AEMO consulted with government and continued to monitor export volumes, storage forecasts and domestic and international gas prices.
- The conflict ended\* without the closure of the Strait and did not lead to high international LNG prices.
- The event highlighted:
  - International events have the potential to impact domestic gas supply availability.

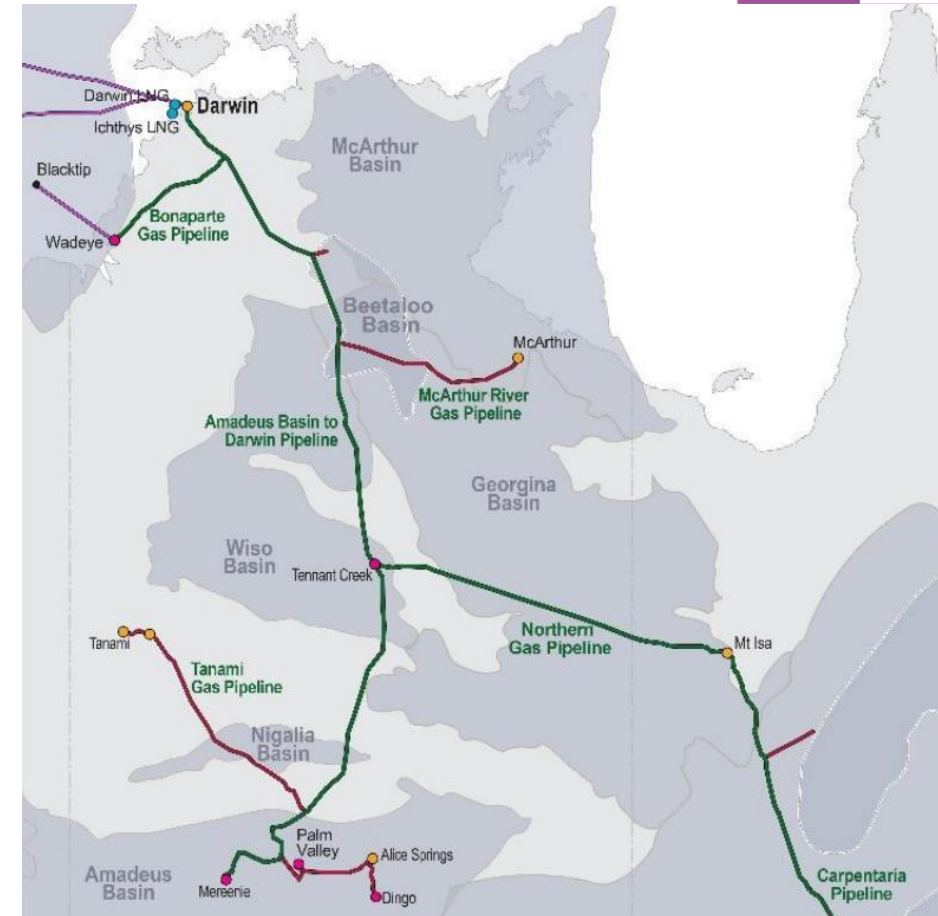


Source: Rystad Energy Global Gas and LNG

Portion of Asian LNG imports by origin, Jan to May 2025

# Northern Territory Gas Supply From June 2025

- **June:** trip of Blacktip production platform during planned maintenance of the Wickham Point Pipeline.
- **June-July:** planned maintenance of Ichthys LNG and Ballera CS reduced system resilience.
- **November to current:** tropical cyclone Fiona suspended gas deliveries to Yelcherr Production facility.
  - The Northern Territory Government publicly warned that blackouts were a possibility while supply pressures continued.
- The event highlighted:
  - Concurrent planned maintenance across different facility operators may impact system reliability. This risk may not be fully identified through current processes.



# Planned Victorian Production Facility Maintenance

## December 2025

- From mid 2025, AEMO communicated planned maintenance to raise awareness and seek a participant response
  - Otway Gas Plant: 1 - 13 December
  - Longford Gas Plant: 1 - 16 December (delayed from September)
- Esso advised that there was increased of a multi day shut-in of the facility (0 TJ/d supply).
- AEMO convened a ECGS Gas Supply Adequacy and Reliability Conference
  - Assess whether there was of was not a risk or threat to supply adequacy (there was not).
  - Provide Operators an opportunity to discuss the impact of maintenance
  - Provide AEMO an opportunity to communicate risk mitigation actions to Participants.
- The event highlighted:
  - Signalling framework does not support communication of lower tier risks and related information.



# ECGS Significant Events 2026

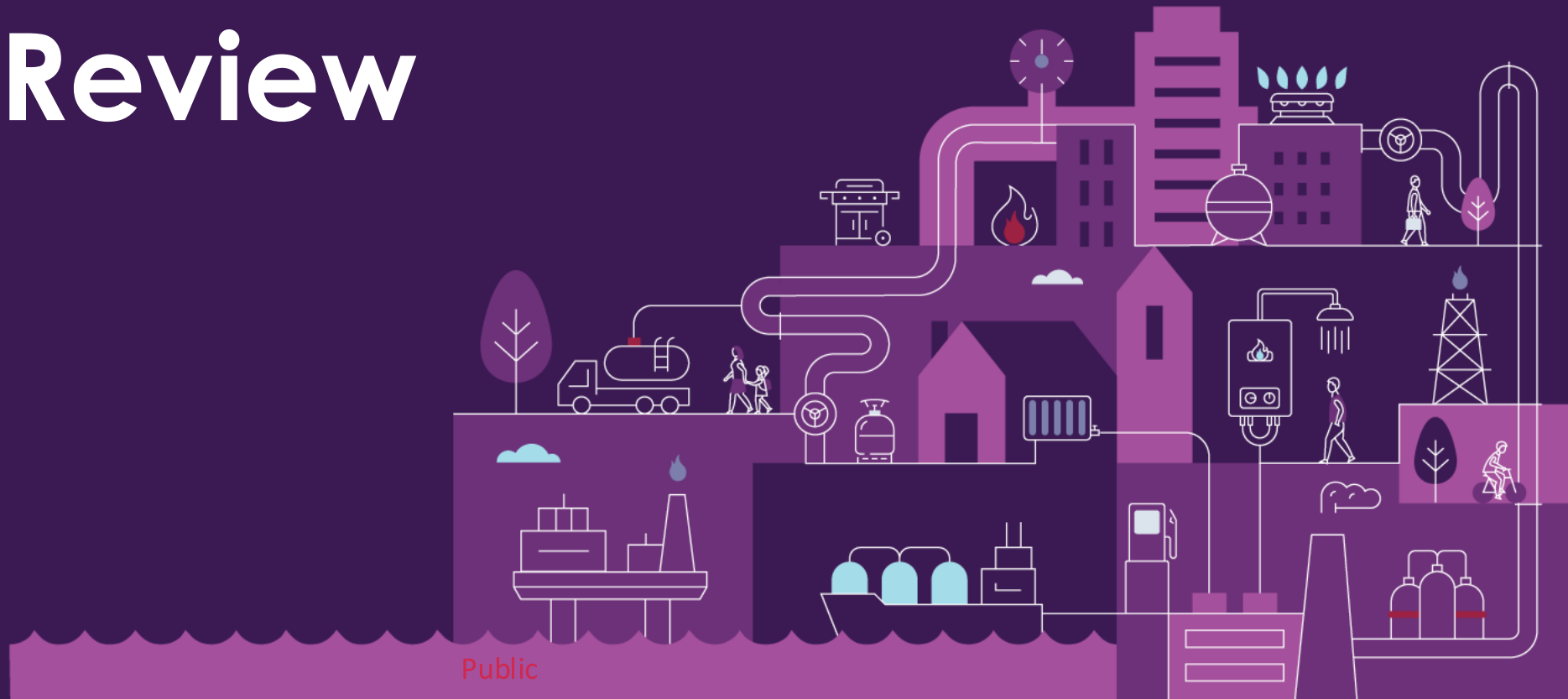
AEMO's exercise of the ECGS function reported to the MCE.

- Central Australia flooding
- Wind drought and very high GPG
- Iran – Israel conflict
- NT Gas Supply
- Planned Victorian maintenance

*Thank you for the support from industry that has enabled AEMO to fulfill its ECGS functions.*

# Winter 2025 Market Review

6 May 2026



# Agenda

- Review of winter 2022 vs winter 2025
  - Prices, demand, supply
- Asian LNG spot and Brent crude oil prices since 2022
- Iona gas storage levels
- DWGM winter demand trends
- Impact of electrification on gas demand in Victoria
- Gas-fired generation demand trends
  - DWGM June demand
  - NEM demand trends
  - Summer vs winter peaking
  - Peak demand records in June 2025

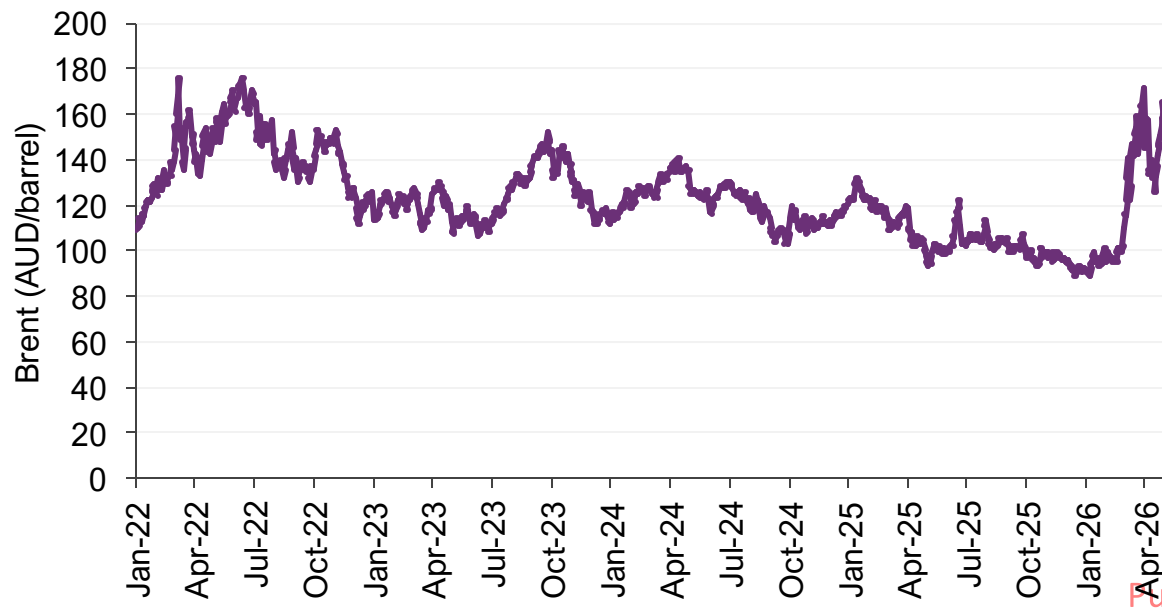
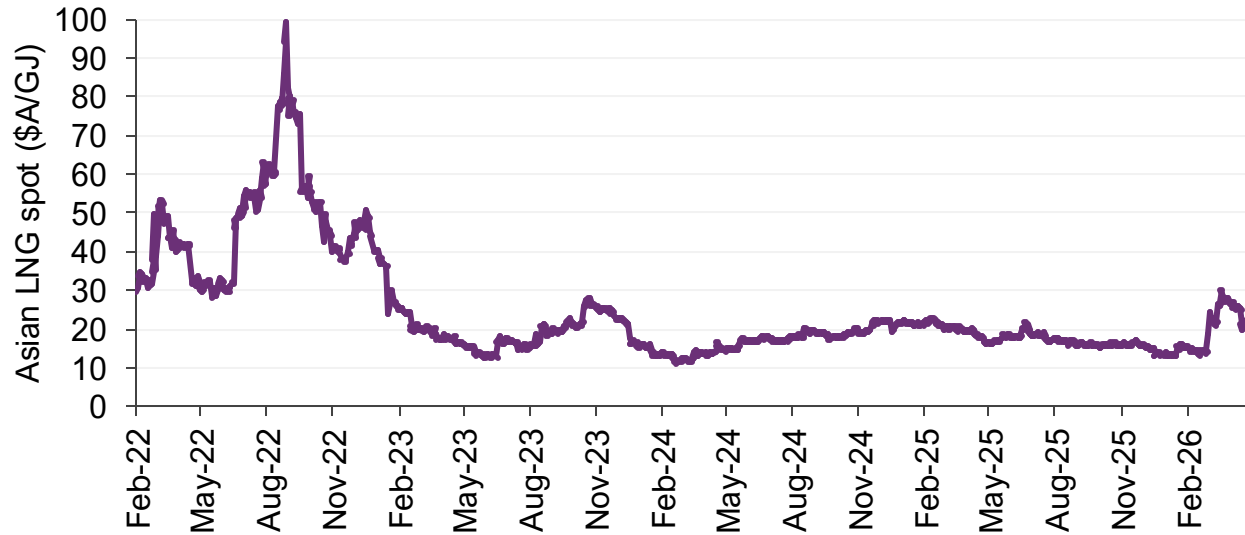
*Winter = Jun to Aug*

# Gas Prices Winter 2022 vs 2025

	Average Price (\$/GJ)		Movement
	Winter 2022	Winter 2025	
DWGM	30.86	12.53	-59% ▼
Adelaide STTM	31.49	13.22	-58% ▼
Sydney STTM	33.59	13.21	-61% ▼
Brisbane STTM	33.27	13.35	-60% ▼
Gas Supply Hub	29.78	13.07	-56% ▼

- During winter 2022 markets recorded all time high average prices due to global supply issues
- Sydney and Brisbane STTMs administered price cap from 24 May to 7 June 2022
- DWGM was capped at \$40/GJ from 30 May to 1 August 2022 due to CPT exceedance
- Gas Supply Guarantee was triggered by AEMO on 1 June and 19 July 2022
- Different domestic market conditions in 2025 – lower domestic demand, international prices lower, lower domestic prices to date

# International Prices



- International energy commodity prices soared in 2022 after the Ukraine war began and peaked in August due to maintenance, Nord Stream 1 gas pipeline supply disruption and the race to fill storages ahead of the Northern Hemisphere winter
- Asian spot LNG prices have increased since March 2026 due to the Middle East conflict, but nowhere near the levels seen in 2022
- Brent crude oil prices however have increased to similar levels experienced during the beginning of the Ukraine war but have been volatile

Source: Bloomberg ICE data

# Gas Demand Winter 2022 vs 2025

Demand Region	Winter System Demand (PJ)			Maximum Demand (TJ)
	2022	2025	Move	2025
Adelaide STTM	6.3	5.9	-6% ▼	82
Brisbane STTM	7.8	4.5	-42% ▼	61
Sydney STTM	26.0	23.8	-8% ▼	306
Victoria DWGM	78.1	66.0	-15% ▼	936
AEMO Markets Total	118.2	100.2	-15% ▼	1,354
GPG	45.9	35.6	-22% ▼	1,049
QLD LNG	308.0	336.6	9% ▲	3,907
Total	472.1	472.4		

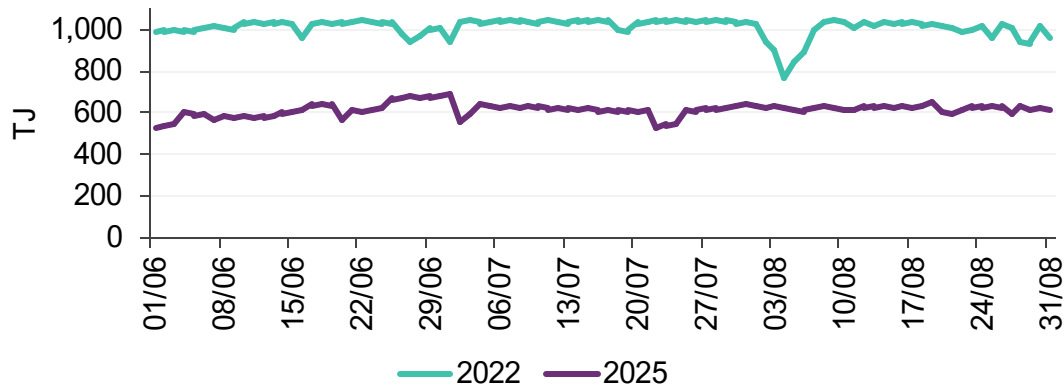
- Combined market and GPG demand is 28 PJ lower in 2025 compared to 2022
- GPG demand has decreased primarily due to increase in solar, solar PV, wind generation plus higher battery discharge
- GPG maximum daily demand an all-time winter record
- QLD LNG export demand increased by almost the same amount as domestic demand decreased

# Supply 2022 vs 2025

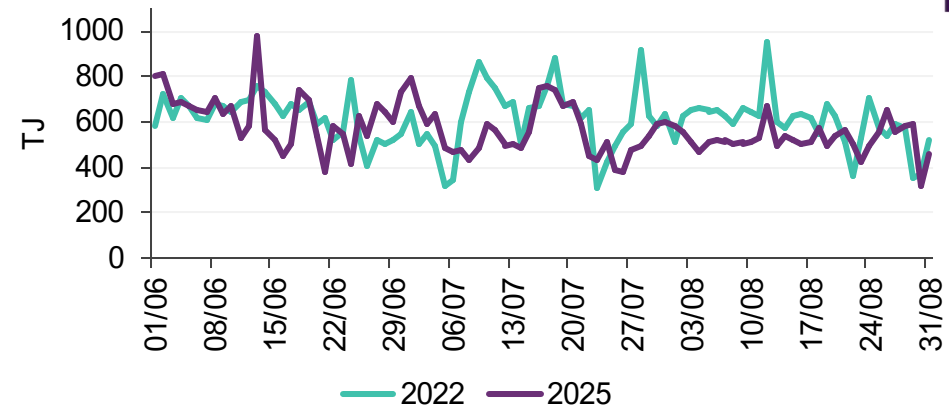
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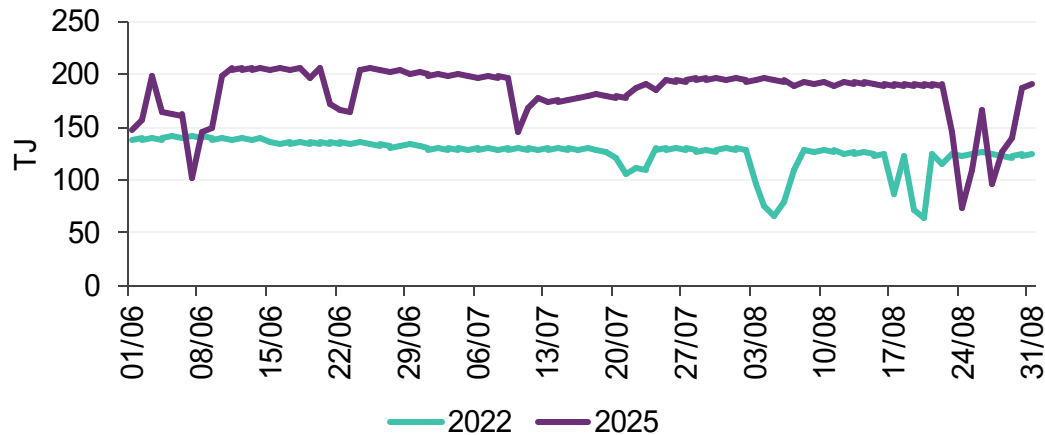
Longford Production



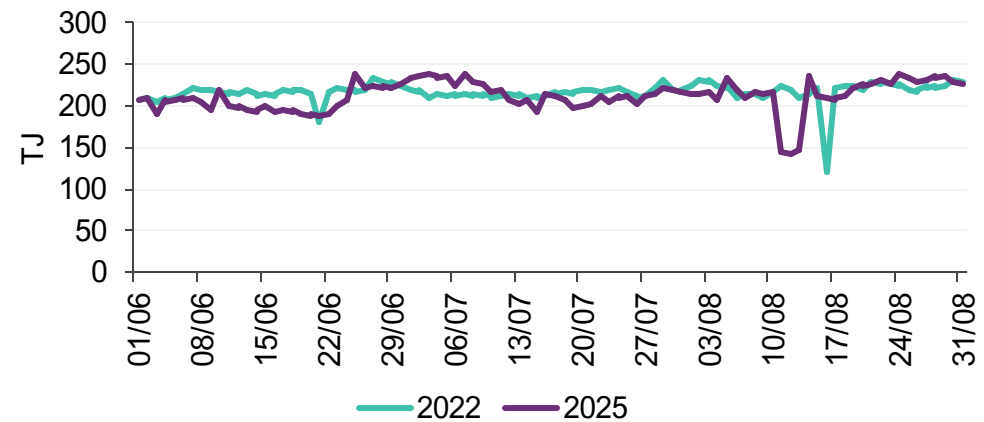
Net QLD Production to Domestic Mkt



Otway Production



Moomba Production



## Notable Supply Increases

- Otway (+5.2 PJ)
- Orbost (+1.7 PJ)
- Bass Gas (+0.5 PJ)

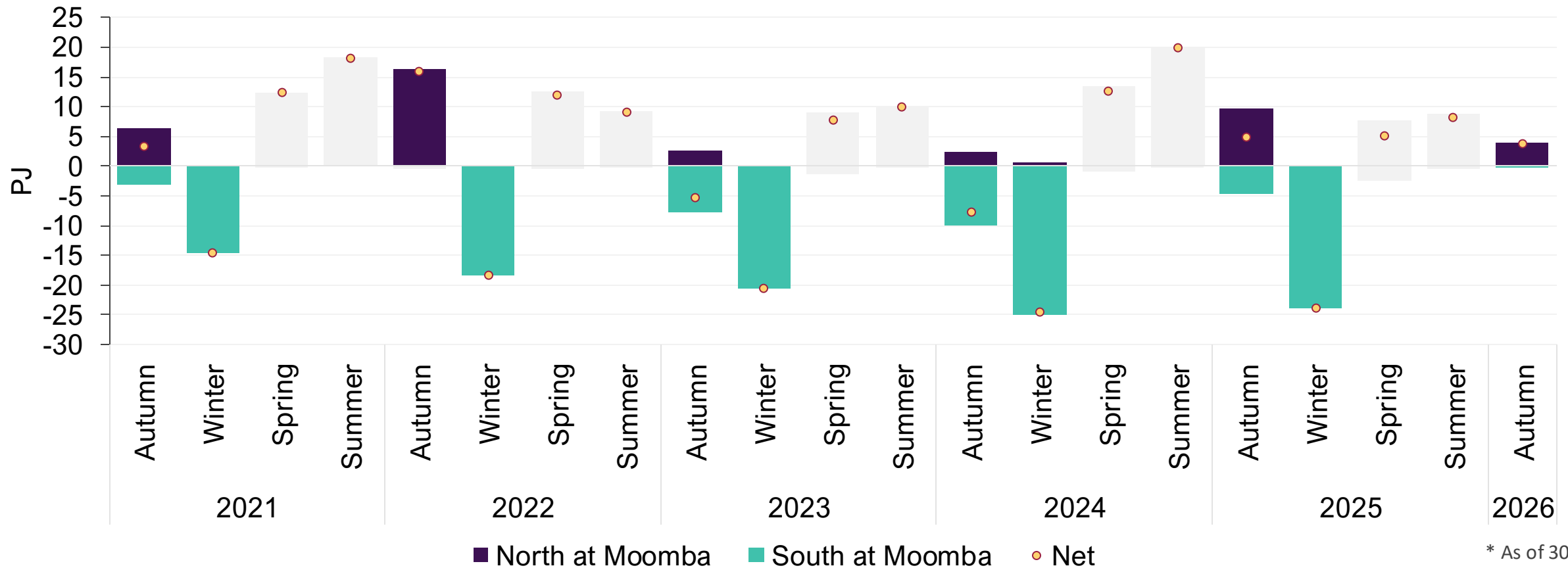
## Notable Supply Decreases

- Longford (-36.4 PJ)
- Net QLD production to domestic market (-4 PJ)
- Athena (-0.8 PJ)
- Northern Territory to QLD via NGP (-0.7 PJ)

Public

# Northern supply to southern markets in winter has increased

Public



\* As of 30 April 2026

- Flows south from Moomba to southern regions has been increasing
- Some of this is due to a large decrease in Longford production, but some also appears to be commercially driven

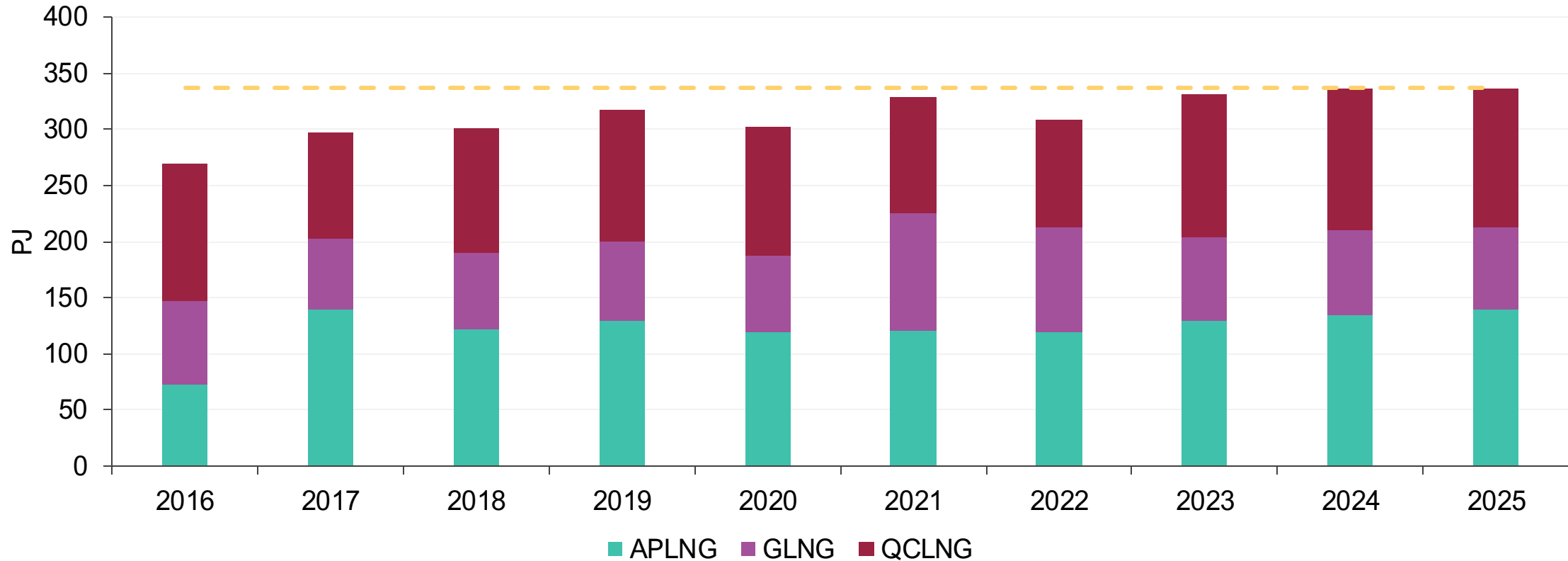
Public

# QLD LNG Demand

Public



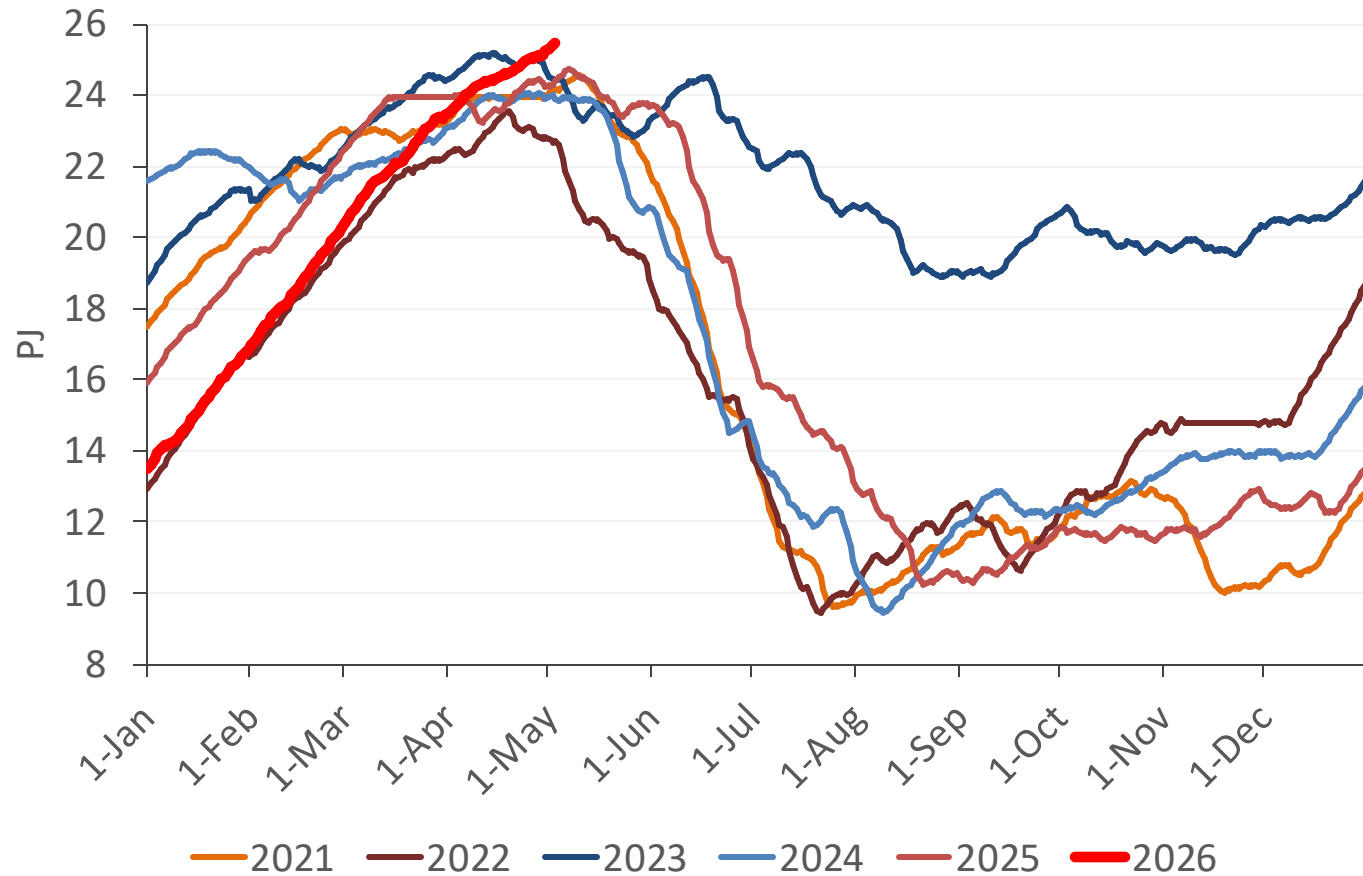
## QLD LNG Winter Demand



- Near record QLD LNG demand in 2025, only 250 TJ less than 2024 which was a winter record
- The increase in QLD LNG demand since winter 2022 is nearly equal to the decline in domestic east coast gas demand

Public

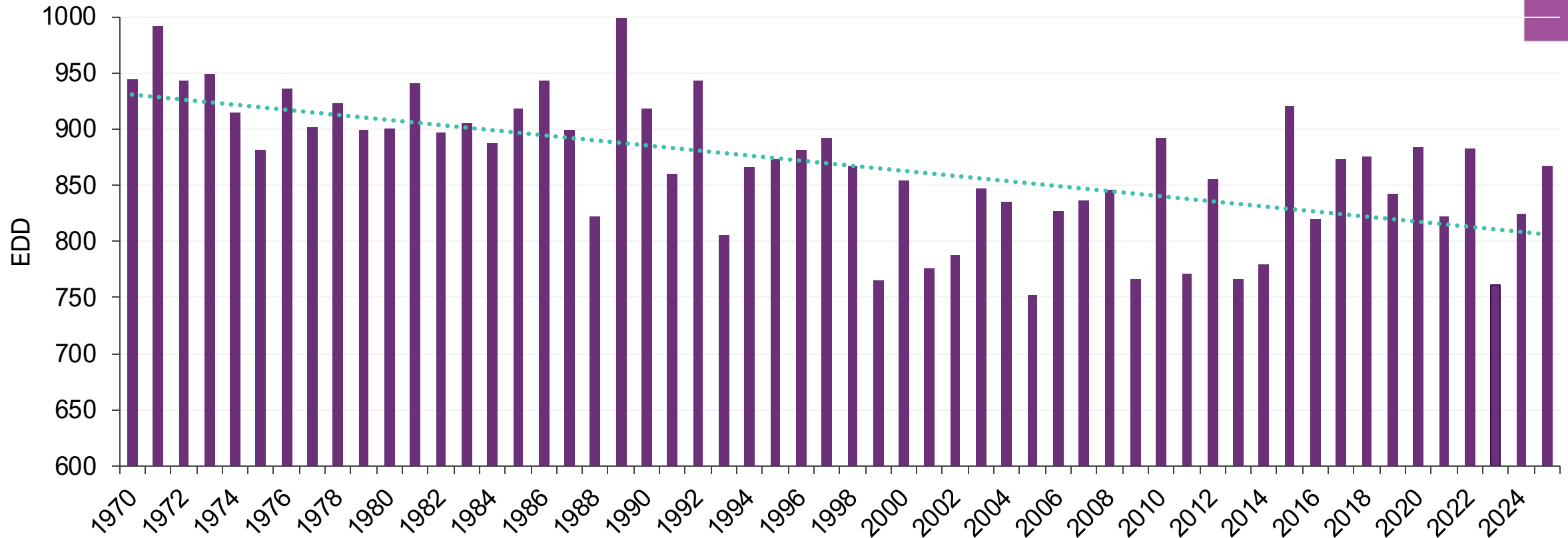
# Iona Gas Storage



- Iona storage started winter 2025 at capacity, and quickly began depleting, but never quickly or low enough to reach AEMO's risk levels
- Iona continued to deplete in August 2025 unlike 2023 and 2024, which experienced very mild temperatures
- Despite starting 2026 at its lowest level since 2022, storage has refilled to capacity ready for winter

# DWGM Effective Degree Day (EDD)

Winter EDD 1970-2025

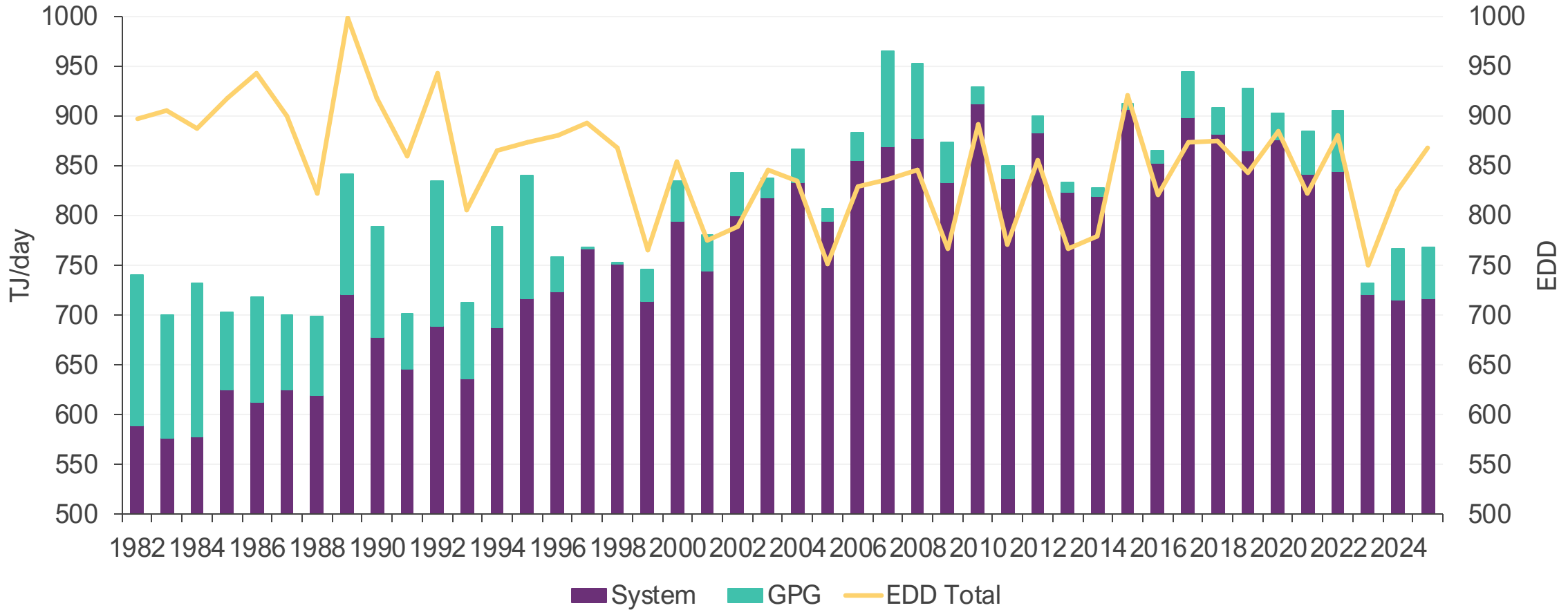


- 2025 was much colder than 2023 and 2024 (when mean August temperatures in much of Victoria were highest on record)
- EDD is trending down

# DWGM winter demand

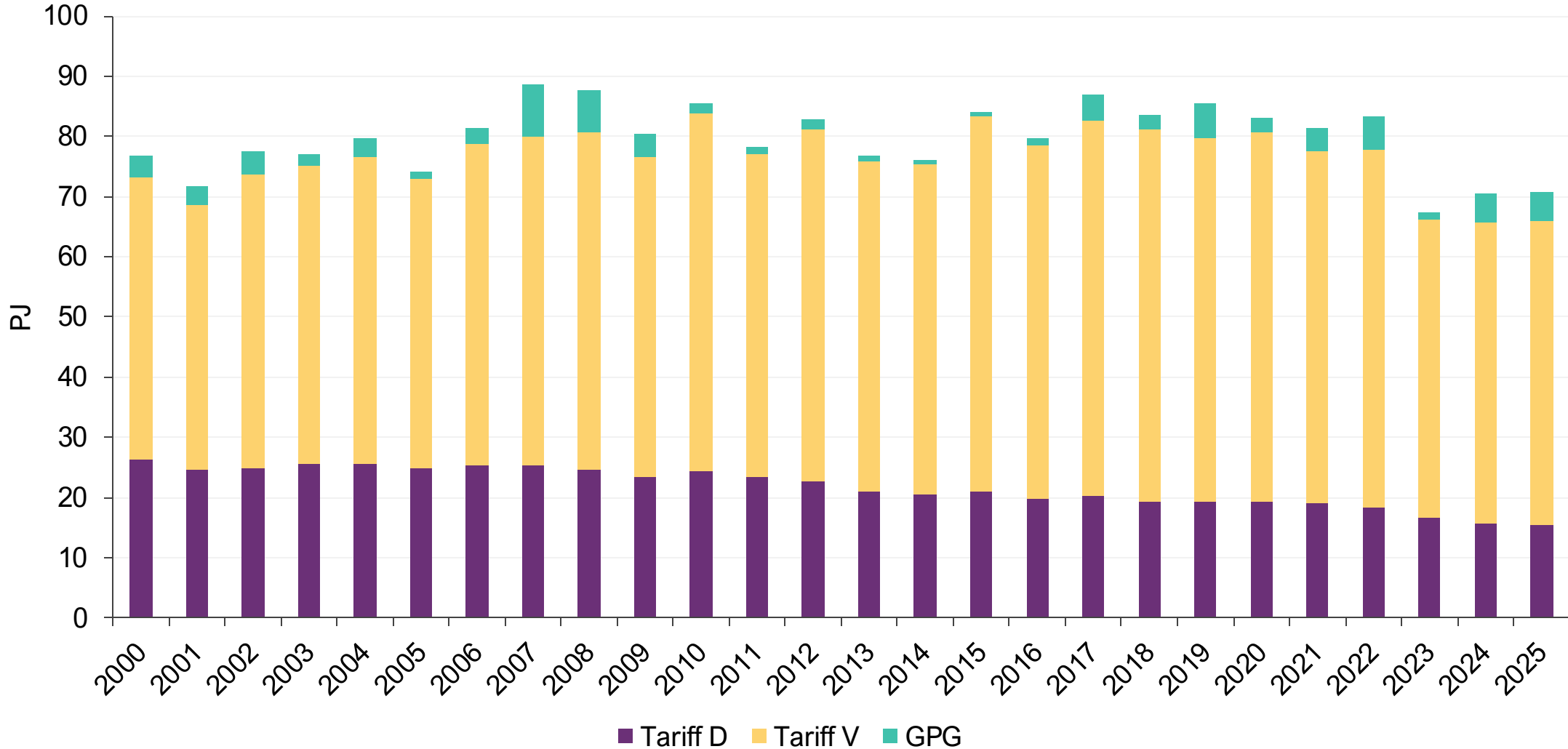


Average daily DWGM winter demand



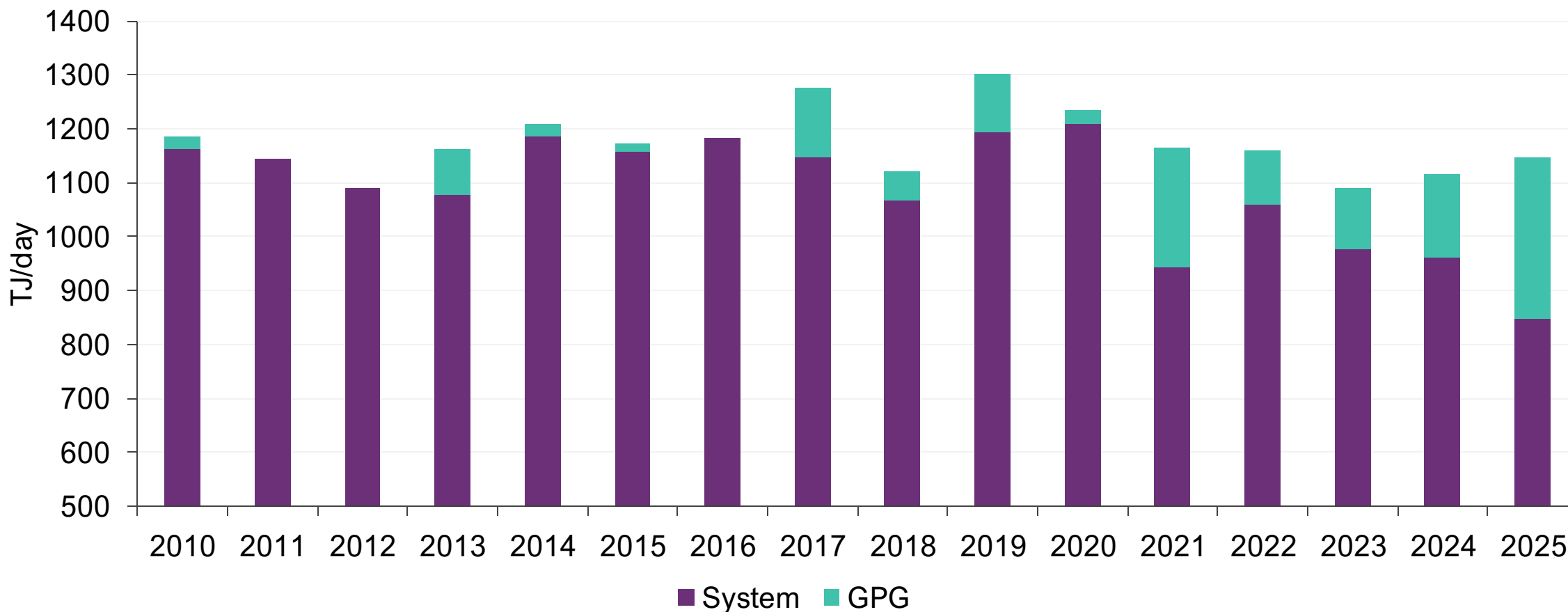
- 2025 system demand only slightly higher compared to 2024 despite being much colder
- Third year in a row no system demand days have exceeded 1PJ (peak day 936 TJ, lowest since 1999)

# DWGM winter demand by segment



# While peak system is falling, <sup>Public</sup> GPG peak demand is increasing

DWGM Peak Days 2010-2025



- Even though peak system demand is falling as people switch to electric appliances and industrial demand falls, peak demand days have remained stable due to increasing GPG demand

# Victoria – Charging Ahead

- On 25 June 2025, Victoria recorded a new winter operational demand record of 8,818 MW, exceeding the previous peak of 8,351 MW set on 17 July 2007. This remains the highest EDD since.

Victoria	16 July 2007	17 July 2007	25 June 2025	26 June 2025
EDD	11.8	16.8	12.7	11.8
NEM Max Demand (MW)	7,895	8,351	8,818	8,140
Tariff D Demand (TJ)	305	326	188	190
Tariff V Demand (TJ)	729	928	744	658
GPG DWGM (TJ)	75	25	89	300
Total DWGM Demand (TJ)	1,113	1,282	1,025	1,152

- 25 June 2025 was not as cold as 17 July 2007, yet an 18 year NEM demand winter record was still smashed
- While it's not fair to compare those days for gas demand, similar EDD's either side of those days demonstrates the decline of gas demand, contrasted with the increase in electricity demand

## Wet and white Victoria shivers through coldest day in years



**News 3**

By CAROLYN WEBB

IT WAS cold, so very cold. Then came the sun, the wind and in some parts of the state, the snow.

Melbourne yesterday reached its coldest day in new years. The temperature hovered around 6 degrees for most of the afternoon, dipping to 5.4 degrees at 6pm. The top was 9.2 degrees at 9.45am, well below the July average top of 13.7 degrees.

Weather Bureau forecast Chris Stevens said a cold front from Melbourne around the morning peak hour, bringing hours of rain and blizzards of cold Atlantic air in its wake. The previous coldest maximum was July 9, 1995, with a top of 6.9 degrees.

The State Emergency Service took 150 storm damage calls across the state, mostly in metropolitan Melbourne. SES spokesman Tim Westbrook said Emerald, Hastings and Scarsdale were the hardest hit, with 15 to 20 calls for help in each area, mostly for fallen trees.

In other areas, the weather brought by Sean Robinson, manager of the Murrumbidgee restaurant and bar at Mount Dandenong, welcomed a light snow that blanketed the carpark, car park and terraces from 4pm. "It's going to be cool, it may not snow," Robinson said. Council media officer Nicole Gilbert said Ballarat's main street, State Street, assembled a movie set when it was fringed with snow yesterday morning. "Lots of people were taking photos of snow in their backyards, on cars and in the white streets," she said. "It actually put a smile on everybody's face."

Snow and ice forced Victorian to close roads in Ballan, Dandenong, Terang, Woodend and Mount Macedon for hours.

There were no complaints on the Victorian airfields, which continue to enjoy the best start to the ski season in seven years.

In Sydney, meanwhile, residents on Monday shivered through the city's coldest night in 23 years. NSW was using 13,825 megawatts of electricity to keep warm, surpassing even Sydney's record peak and nearly breaking the two previous records set on June 27 and June 20.

NSW's hunger for heat on Monday drove consumption on the national grid to a record 52,527 megawatts, smashing the previous peak of 22,379 megawatts, set on June 20.

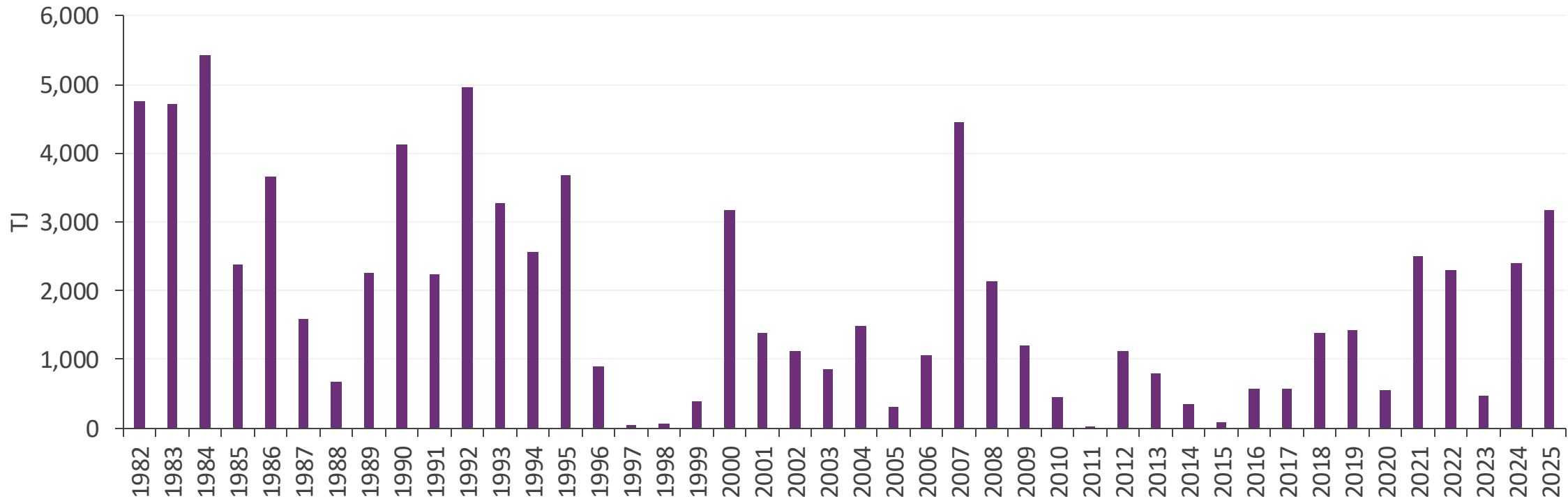
**THE BIG LOWS**

Lowest temperatures recorded during the day:

- Dunes Hill 0.2 at 4.03pm
- Bullarto 0.4 at 9.56am
- Kilmore Gap 1.4 at 10.45am
- Essendon Airport 2.9 at 6.03pm
- Laverton 4.2 at 5.45pm
- Coldstream 4.2 at 1.42pm
- Geelong 4.4 at 1.03pm
- Frankston 4.5 at 1.35pm
- Avonlea 4.5 at 3.4pm
- Melbourne 5.4 at 6.07pm
- Murrayville 5.7 at midday

# 2025 had the highest June DWGM GPG Demand since 2007

June DWGM GPG Demand



- 1980's higher GPG demand was mostly due to semi regular industrial issues in the Latrobe Valley, as well as drought conditions in 1982/83. 1984 remains the highest GPG month in Victoria.
- June 2007 was caused by water conservation at Snowy Hydro due to drought and unplanned brown coal outages
- Demand has been increasing again since 2021 (aside from a very mild winter in 2023)

# DWGM GPG Demand Has Become Winter Peaking Since 2021

Highest GPG Demand Day – DWGM\*



1982 – 1996 peak GPG demand days similar in winter and summer (pre privatisation)

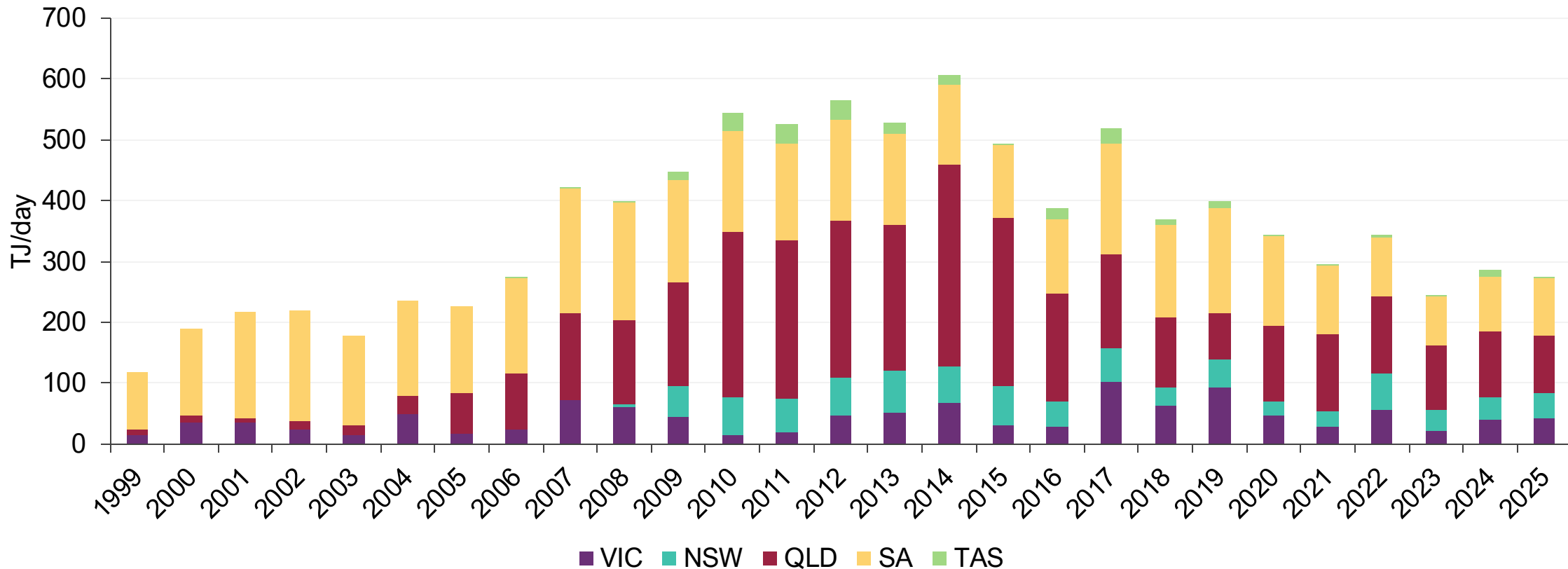
1997 – 2020 switches to mostly summer peaking

2021 – switched to winter peaking

\* Excludes Mortlake (from 2008) and Bairnsdale (from 2001) stations which sit outside the DTS

# Annual GPG demand is declining to pre 2007 levels

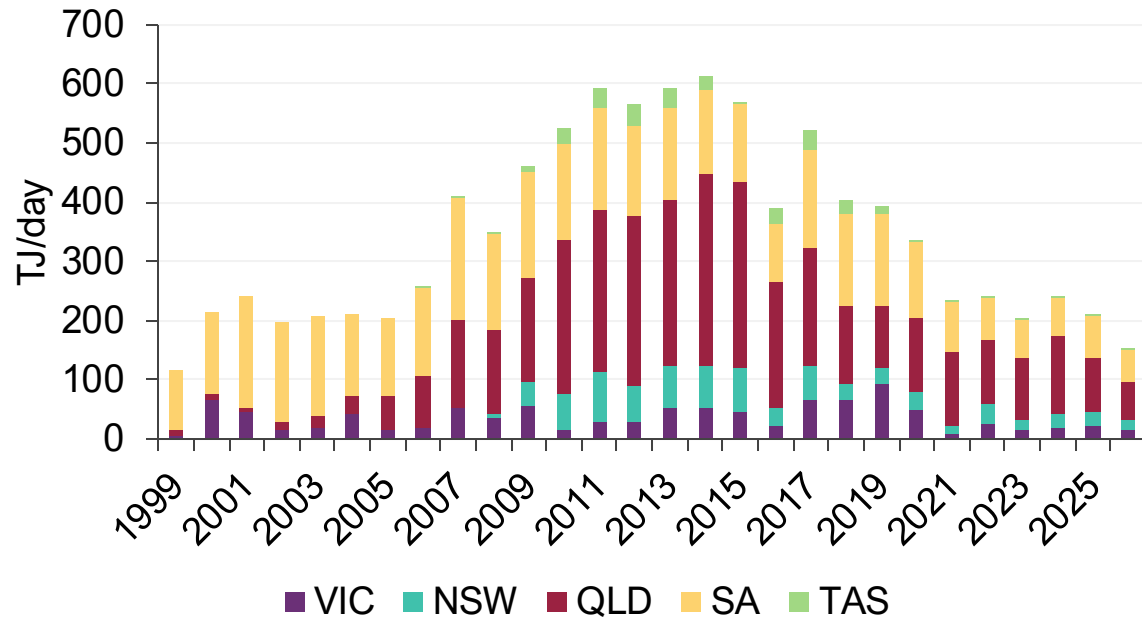
NEM GPG Demand all seasons



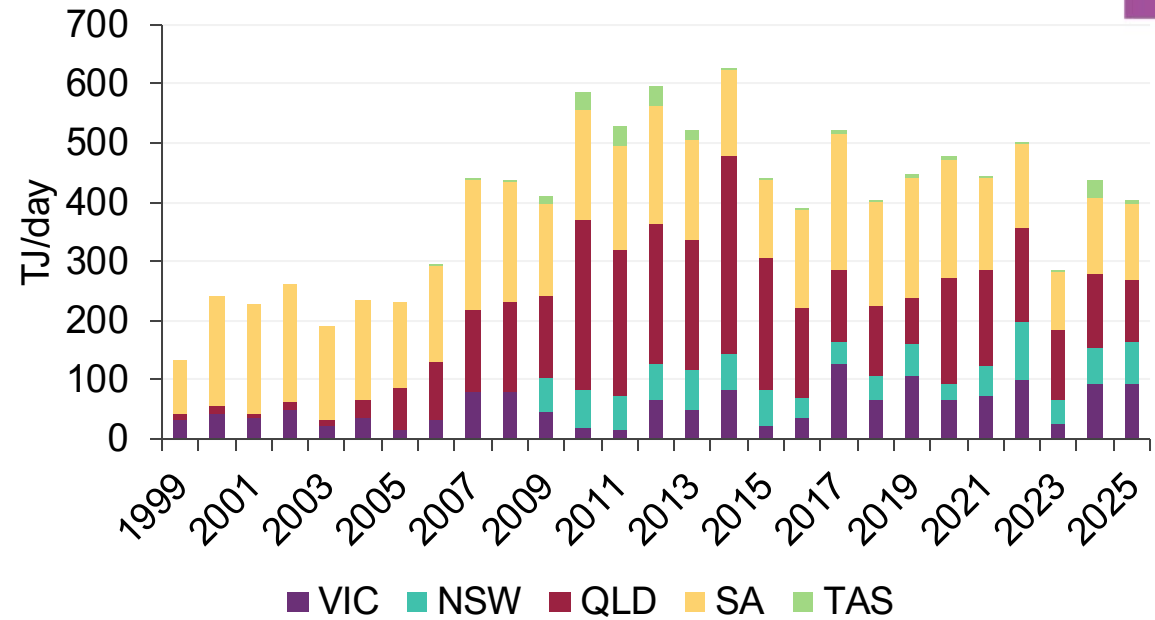
- GPG experienced significant growth in demand from 2007-2017 as many base load coal fired stations retired, in conjunction with NEM demand growth
- As the penetration of renewables has increased, GPG demand has declined back to that more 'intermediary' role, but mainly because of the summer decline

# Annual demand decline due to summer decreases

## NEM GPG Demand - Summer



## NEM GPG Demand - Winter



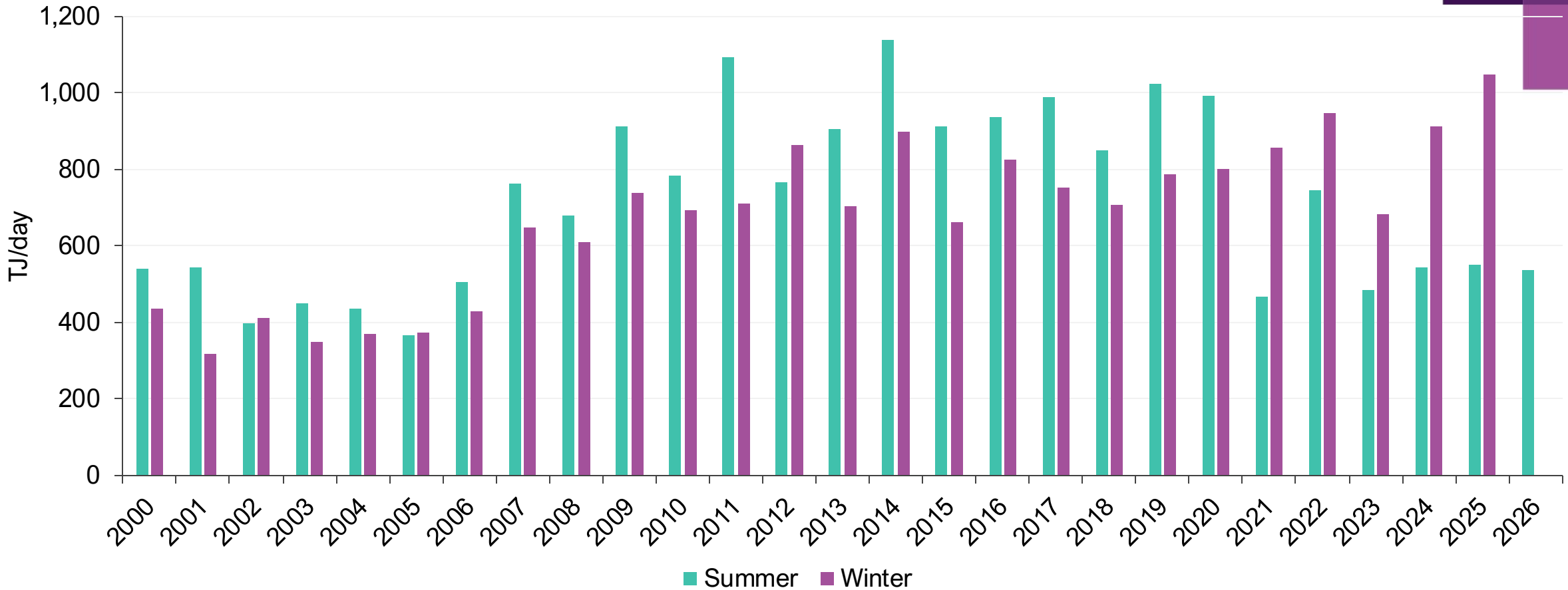
- While summer demand has declined back to pre 2007 levels, winter demand has remained relatively steady

# Winter GPG peaks have increased to record levels

Public



Highest NEM gas-fired generation in summer and winter



- Total gas-fired generation demand across the east coast reached 1,049 TJ on 26 June 2025 setting a new winter record and the fourth highest daily total on record for any time of year
- Five of the top ten winter gas-fired generation demand days on the east coast in the last ten years occurred in June 2025, with three of those occurring in the last week of June
- June has become the highest GPG demand month and the most operationally challenging

Public

# Summary

- Winter price outcomes in 2022 were shock-driven; 2025 pricing reflected different market conditions
- While domestic demand has decreased, it's been offset by increases in Queensland LNG flows
- June is a critical month for system security - prolonged periods of low renewable generation creates a spike in GPG demand (June 2025 set records)



# Summary of gas regulatory changes

Presented by Luke Garland  
6 May 2026



# Agenda

1. Completed reforms/changes
2. In-progress reforms/changes





# Completed Changes

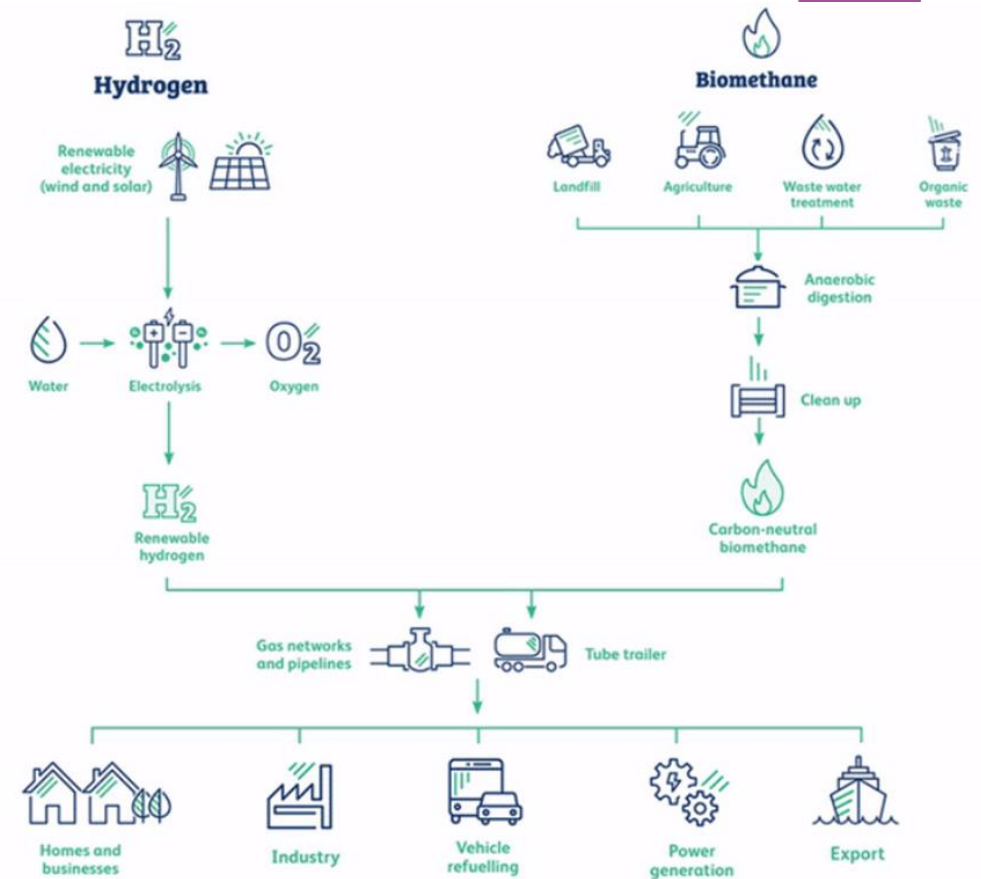
# Dandenong LNG

- On 15 December 2022, the AEMC made rules to require AEMO to hold any uncontracted inventory capacity in the tank to reduce the risks of curtailment from 2023 to 2025
  - [\(National Gas Amendment \(DWGM interim LNG storage measures\) Rule 2022 No. 4\)](#)
- Rules intended to keep DLNG full until a reliability standard could potentially be used to determine an alternate mechanism or appropriate level, potentially as part of the ECGS stage 2 rules.
- Rules were extended commencing from 1 April 2026 for an additional 4 years
  - [Extension of the DWGM Dandenong LNG interim arrangements | AEMC](#)



# Renewable gases

- On 28 October 2022, Energy Ministers agreed to amendments to the National Gas Law to include renewable gases<sup>1</sup>. This resulted in changes to:
  - NGR for STTM, GBB and Gas Retail
    - [Review into extending the regulatory frameworks hydrogen and renewable gases | AEMC](#)
  - NGR for DWGM
    - [DWGM distribution connected facilities | AEMC](#)
- Australian Standard AS4564 (gas quality standard completed June 2025) which was the cascaded into the AEMO gas quality procedures and concluded on 10 March 2026
  - [AEMO | Update to Wholesale Market Gas Quality Monitoring Procedures](#)



# ECGS stage 1

- In August 2022 after a challenging Winter, the energy ministers initiated a package of reforms to have AEMO take a more active role in the broader East Coast Gas Market
  - [Regulatory amendments to extend AEMO's functions and powers to manage east coast gas supply adequacy | energy.gov.au](https://www.energy.gov.au/regulatory-amendments-to-extend-aemo-functions-and-powers-to-manage-east-coast-gas-supply-adequacy)
- Stage 1 of the framework, which came into effect on 4 May 2023 which covers
  - AEMO data gathering and supply adequacy monitoring
  - Signalling issues to the industry (replacing the previous Gas Supply Guarantee)
  - Interventions as last resort either via directions or trading
- ECGS Notice of closure was completed 11 September 2025 where facilities must inform AEMO at least 36 months prior to intended closure
  - [ECGS Notice of closure for gas infrastructure | AEMC](#) (stage 2 element)

# Market code of conduct, ADGSM and Heads of Agreement

- Commencing in July 2017, the ADGSM was amended from 1 April 2023 to move from an annual assessment to a quarterly assessment
  - [Australian Domestic Gas Security Mechanism reforms | Department of Industry Science and Resources](#)
- The most recent HoA which covered 2023-2025 expired on 1 January 2026 and a new agreement has not been successfully negotiated as yet
  - [Heads of Agreement | Department of Industry Science and Resources](#)
- Gas Market Code implemented in July 2023, a review was required to commence no later than 1 July 2025
  - [Gas Market Code - DCCEEW](#)





# In Progress Changes

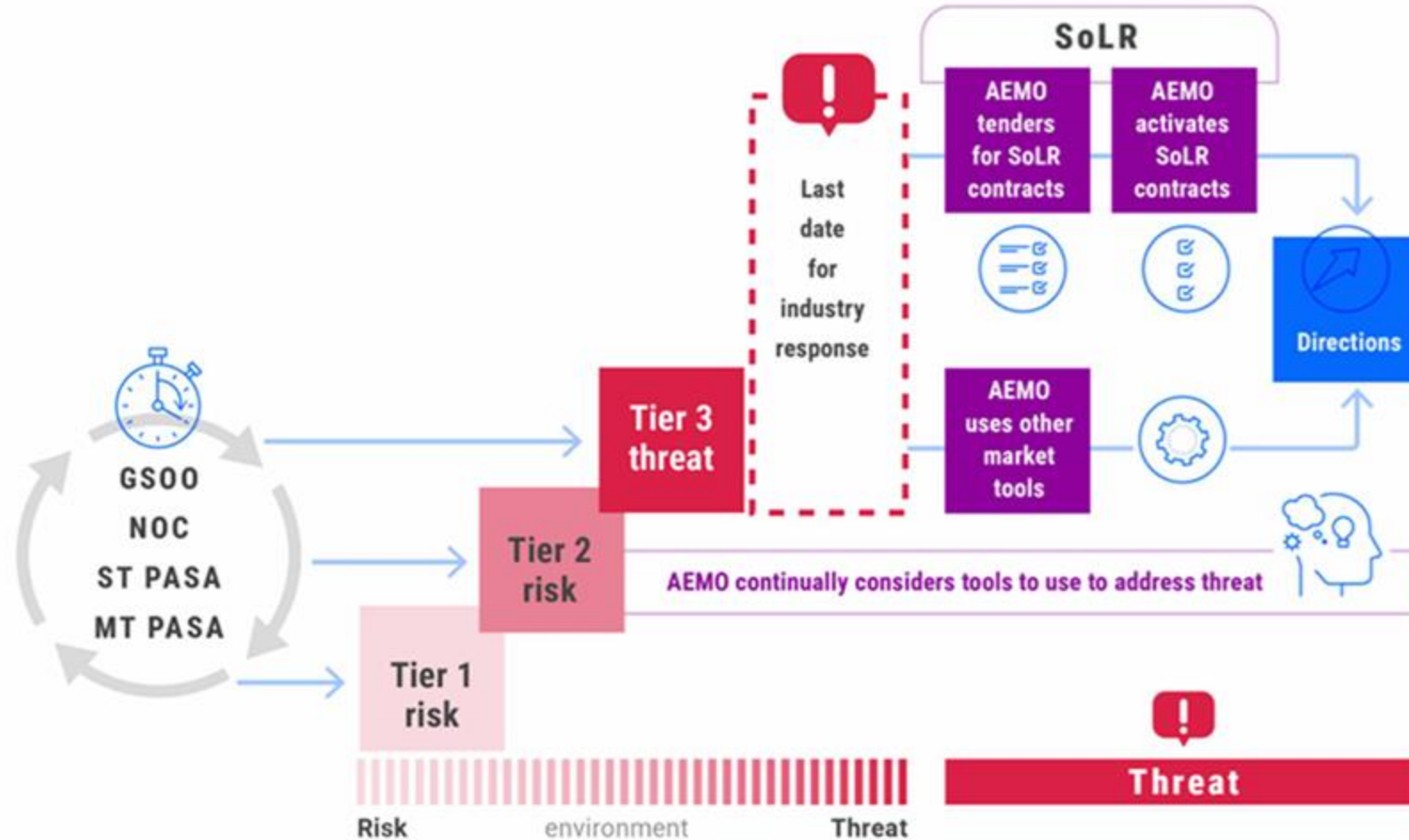
# ECGS Stage 2

- Stage 1 reforms were expedited due to the challenging winter 2022 experience while stage 2 reforms are intended to create a more robust framework
  - [Consultation on Stage 2 of the Reliability and Supply Adequacy Framework for the east coast gas market | energy.gov.au](https://energy.gov.au)
- Stage 2 has three remaining components in draft phase;
  - [ECGS Enhancing reliability and supply adequacy arrangements | AEMC](#)
  - [ECGS Projected Assessment of System Adequacy | AEMC](#)
  - [ECGS Supplier of last resort mechanism | AEMC](#)

# ECGS Stage 2

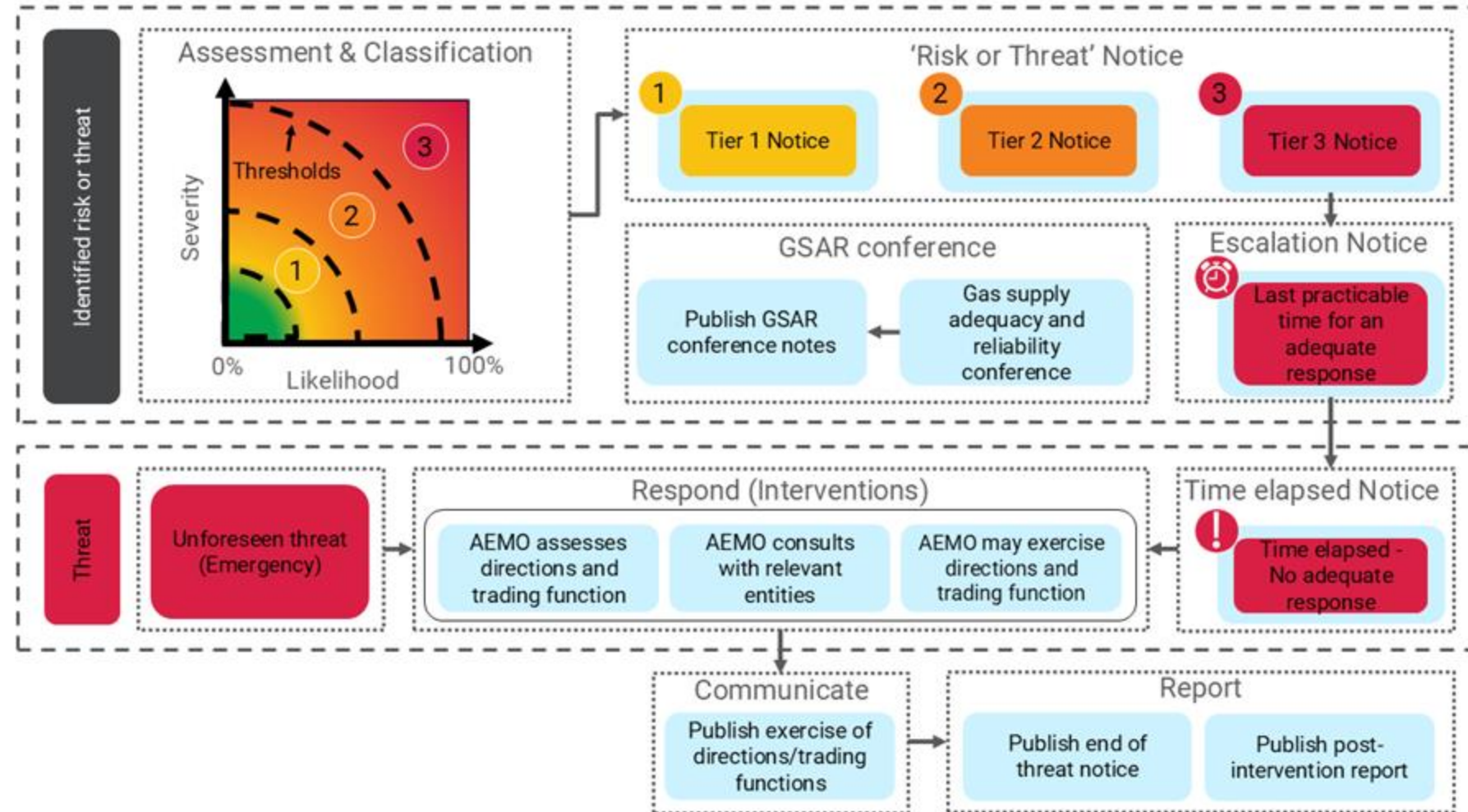
- The Reliability and Adequacy arrangements require;
  - The setup of a reliability committee to determine market settings for the DWGM and STTM
  - requires AEMO to create a three-tier hierarchy for risks or threats within ECGS procedures that considers probability assessments and severity assessments
- The Projected Assessment of System Adequacy rules require;
  - AEMO to collect data through the GBB and use it to create a 7 day ST PASA and 12 month MT PASA
  - AEMO to make procedures on the methodology, inputs used, outputs for publication and publication timetable of the PASA.
- The Supplier of Last Resort mechanism allows;
  - AEMO to procure supply or demand side services if there is a tier 3 threat that is sufficiently defined with regard to timing, magnitude, impact and duration, and will occur sufficiently soon that industry cannot respond.

# ECGS Stage 2 – overarching framework



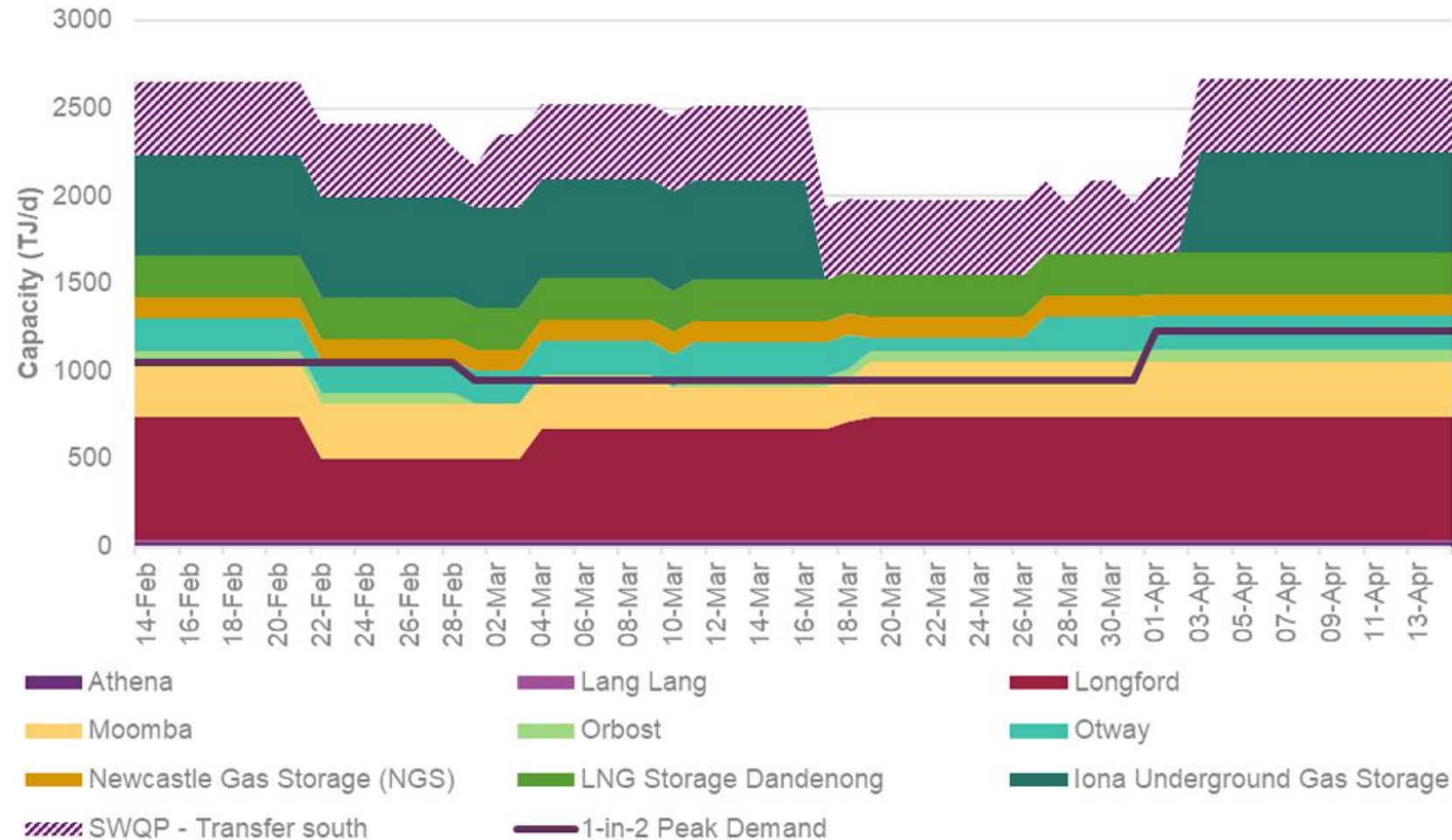
# ECGS Stage 2 – assessment framework

- Can a single risk or threat methodology with probability and severity assessments to be used for everything from ST timeframe to GSOO timeframe?
- How complex would the risk or threat methodology need to be?
- If using probabilistic threat tiering then do the assessments need to be probabilistic? E.g. does the ST PASA also need to be probabilistic?



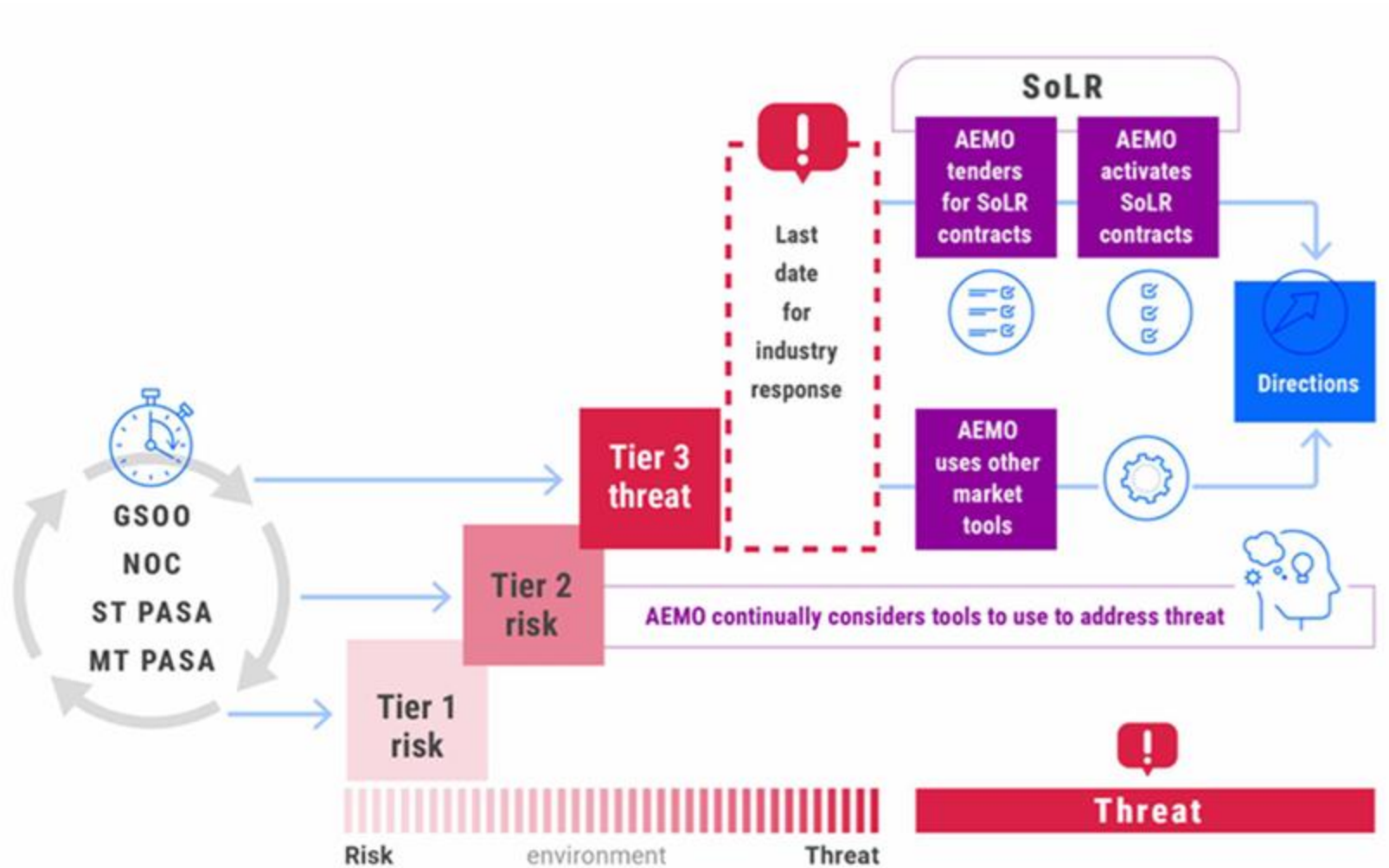
Note: An illustrative depiction of the risk or threat signalling framework, read left to right, top to bottom.

# ECGS Stage 2 – PASA implementation



- How do you make a probabilistic ST PASA?
- How much of the development needs to be sequential therefor impacting delivery time.

# ECGS Stage 2 – SOLR implementation



- How is the last date for industry response determined or defined?
- SOLR use cases?
- SOLR integration with existing markets?
  - DWGM;
    - SOLR not in PS
    - Not schedule SOLR unless all other bids scheduled

# Gas Investment changes

- While a set of pipeline regulation changes were implemented in March 2023, a number of changes are now progressing which impact this regulatory framework
  - [Reform package to improve gas pipeline regulation takes effect | energy.gov.au](https://energy.gov.au)
- Multiple separate rule change requests were submitted to the AEMC by various advocacy groups on accelerated depreciation, asset redundancy, planning requirements, Capex criteria, etc. The AEMC combined them into a single package called Gas Networks in Transition
  - [Gas networks in transition | AEMC](https://www.aemo.com.au/gas-networks-in-transition)



# Gas Investment changes

- The National Gas (Victoria) Amendment Bill 2025 (Bill) was made effective from 24 March 2026. The changes are similar to those within the Electricity Act which allows the Government in make orders to declared asset owners or to AEMO to investigate options to expand, improve, or upgrade the network, and then based on the outcomes of investigations, commence the capital works identified
  - [National Gas \(Victoria\) Amendment Bill 2025 | legislation.vic.gov.au](https://legislation.vic.gov.au)
- Gas Market Review.....

# Gas Market Review

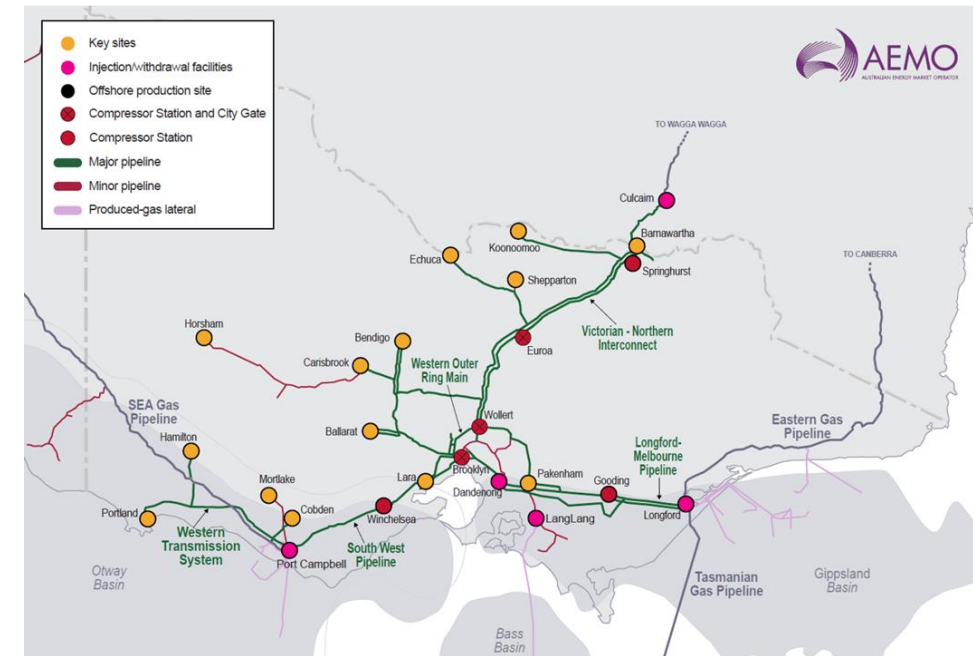
- The Gas Market Review findings were published in December 2025
  - [Gas Market Review - DCCEEW](#)
- Gas Supply
  - Commence a Domestic Gas Reservation Scheme from 2027, will require both east and west coast LNG producers to reserve 15-25% of gas for domestic use.
  - phase out the ADGSM, the heads of agreement with exporters, and the temporary price cap.
  - Require reserved uncontracted gas to be available on the GSH, expand the GSH to facilitate longer term products, and extend the GSH to more locations
- Infrastructure options, to consider;
  - expanding AEMO's powers to enable it to better address gas infrastructure constraints
  - extend regulatory exemptions available to greenfield gas pipeline to brownfield projects which expand capacity including exemption from the Day Ahead Auction to incentivise foundation customer contracting
- Transparency
  - Expand the scope of the GBB to include more trading information, reserves/resource changes, forward price curves and effectively centralise functions that exist within the ACCC inquiry to remove duplication.
- GBB Biennial review outcomes currently not being implemented by AEMO as we are awaiting outcomes from the review and the ECGS stage 2 reforms to reduce the cost of GBB updates

# Governance review

- The last full governance review was conducted in 2015 sometimes called the Vertigan Review
  - [Review of Governance Arrangements for Australian Energy Markets](#)
- A new dedicated AEMO governance review commenced in 2026 with submissions closing 6 March 2026
  - [AEMO Governance Review consultation - Department of Climate Change, Energy, Environment and Water](#)
  - The review will examine whether AEMO's governance arrangements remain appropriate, given the changes in AEMO functions time, or whether changes to the corporate legal structure and membership arrangements are warranted.

# Victorian Gas Retail Market Procedures

- The Victorian Retail and Wholesale Markets do not perfectly overlap, sections of Gippsland and North West Victoria are in the Gas Retail Market but not the DWGM.
- The retail market was designed to use the DWGM data so typically there is a data gap which has been causing some retail market issues since 2008.
- As AEMO cannot move market boundaries, AEMO has proposed an alternate change to cover those areas with NGR metering data provisions to allow data gap to be covered
  - [AEMO | 2024 Package 2 \(Victorian Retail Market Procedure \(RMP\)\) changes – Proposed Procedure Change](#)



# Other minor changes

- To align the NGR with the Cyber requirements developed for the NER, draft rules due to be published on 7 May 2026
  - [Gas cyber security roles and responsibilities for AEMO | AEMC](#)
- Update to Transportation Service Point Register on 10 February 2025 for the Reedy Creek to Wallumbilla Pipeline (RCWP), more updates likely dependant on examples and new connections
  - [AEMO | Consultation on changes to the transportation service point register \(TSPR\)](#)
- Changes to the NGR to allow AEMO to accept cash as credit support
  - [Allowing AEMO to accept cash as credit support under the National Gas Rules | AEMC](#)



# NEM Winter Readiness

1 June - 31 August 2026

Gas Industry Forum Update
























# Agenda

- Winter outlook
- Weather and climate
- Generation availability and fuel
- Operational demand
- Gas supply adequacy
- Network outages and augmentations
- Industry communications and engagement
- Risk review

# Winter Outlook

	Improved
	Similar or unchanged
	Potential to get worse

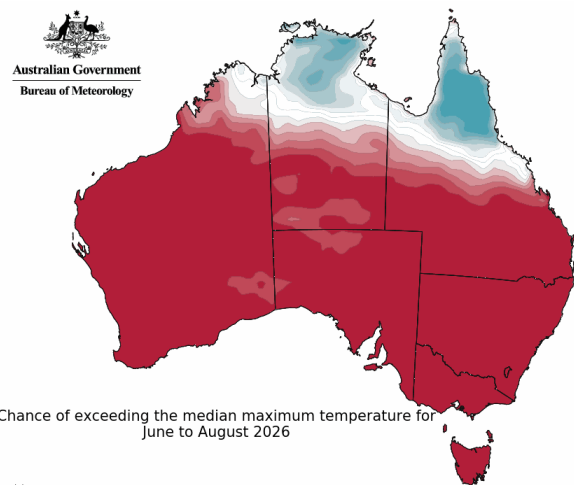
Impact	West/East	Comparison to an average winter season
 Extreme cold snaps		Warmer conditions are expected for the majority of the country, with both maximum and minimum temperatures generally above average during winter. The climate outlook indicates a lower potential for cold extremes however cold snaps could still arise.
 Widespread flooding		Climate outlooks indicate a high chance of below-average rainfall across much of southern, and eastern Australia, reducing the likelihood of widespread flooding. ENSO conditions are expected to return to neutral in early autumn, with global weather models indicating a possible transition towards El Niño by late winter, which would further reinforce drier-than-average conditions.
 Extreme peak demands		Warmer-than-average winter conditions are expected overall, which is likely to reduce the frequency and severity of cold-driven peak demand events. However, cold snaps may still occur and have the potential to drive electricity winter demand higher, particularly in NSW, and increase gas demand across southern regions, noting gas consumption and peak day demand remain highly weather-dependent.
 Generation and storage availability		On average, synchronous generation availability is expected to be similar in most NEM regions compared to an average winter availability while Queensland has notable reduction due to increased planned maintenance. There is additional BESS capacity in all NEM regions (except for Tasmania).
 Network outages		Volume of HIOs is comparable to an average winter season but lower in Queensland, Victoria and South Australia when compared to last winter season.
 Reliability		Loss of load probability (LOLP) is comparable to an average winter season. The study forecasts generally low LOLP across New South Wales, Tasmania, South Australia, and Victoria regions with negligible LOLP in Queensland.
 Fuel supply		Coal storage levels are at normal levels. Hydro generation energy availability requires monitoring due to dry weather outlook for southern NEM regions. Victorian gas production capacity and supply from Queensland is forecast to be like last winter, and gas storages are full. Gas supply risks remain due to insufficient supply from Queensland, unplanned southern production facility outages or high demand including above forecast gas generation demand. Queensland LNG exports and supply are being closely monitored. With regards to the Middle East conflict, AEMO is actively monitoring and assessing fuel supply impacts in the NEM and WEM.
 Health of markets		Prudential risks and coal / gas price risks are being monitored. Australian domestic gas prices remain stable. Newcastle Coal Futures for winter 2026 (Q3 2026) are trading above the \$150/t mark (end of March 2026), but significantly lower compared to above \$300/t levels observed in 2022.

**Notes:** Winter is defined as the period from 1 June 2026 to 31 August 2026. It should be noted that climate model accuracy improves closer to the start of the season. Information on scheduled generation availability and planned transmission outages are subject to change. Comparison to an “average” winter is based on the past 3 winter seasons. For gas supply/demand adequacy assessment “southern regions” or “southern demand” means New South Wales (and Australian Capital Territory), South Australia, Tasmania and Victoria gas system supply/demand.

# Climate Outlook

## June to August 2026

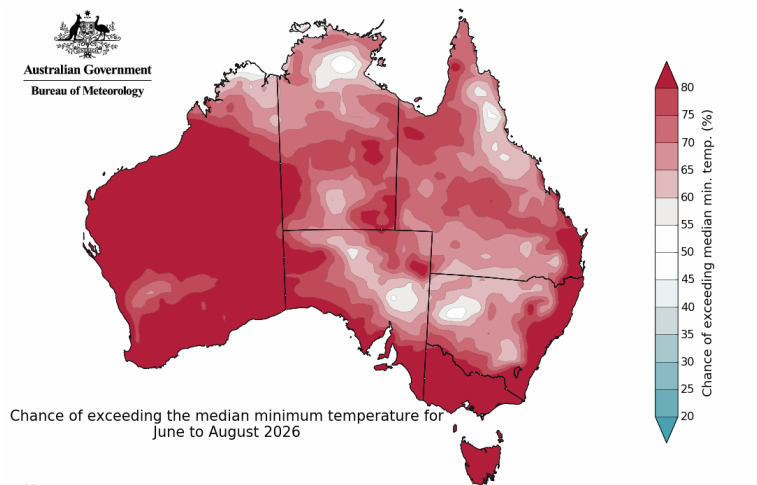
### Maximum Temperatures



Model: ACCESS-S2  
Base period: 1981-2018

**Warmer than average days are very likely across most of the country except in the tropics.**

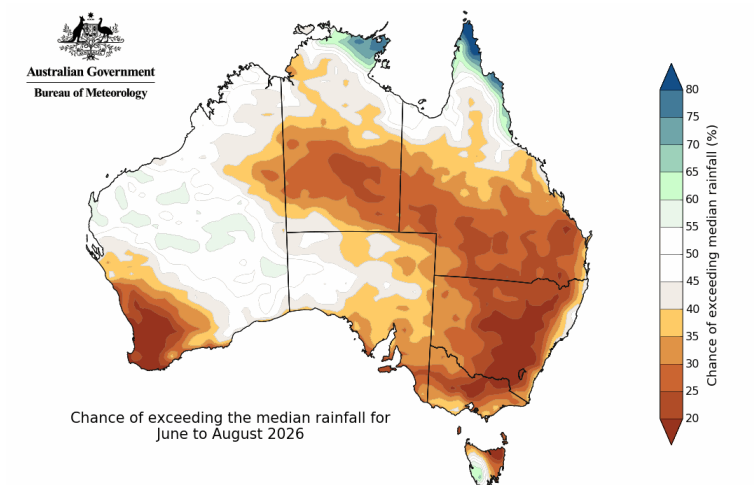
### Minimum Temperatures



Model: ACCESS-S2  
Base period: 1981-2018

**Warmer than average nights are very likely across most of WA, VIC, and TAS, southern parts of SA, eastern parts of NSW, and southeast QLD.**

### Rainfall



Model: ACCESS-S2  
Base period: 1981-2018

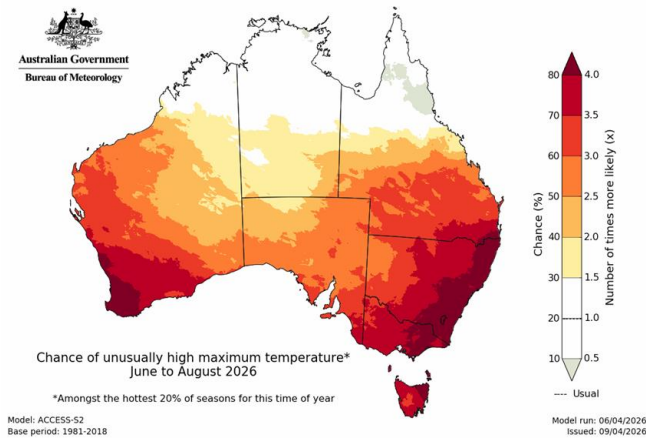
**High chance of below average rainfall for much of VIC and NSW, southern SA, central/southern QLD, eastern TAS, and southwestern WA.**

**No clear signal over hydro catchments in Western Tasmania.**

# Climate Outlook

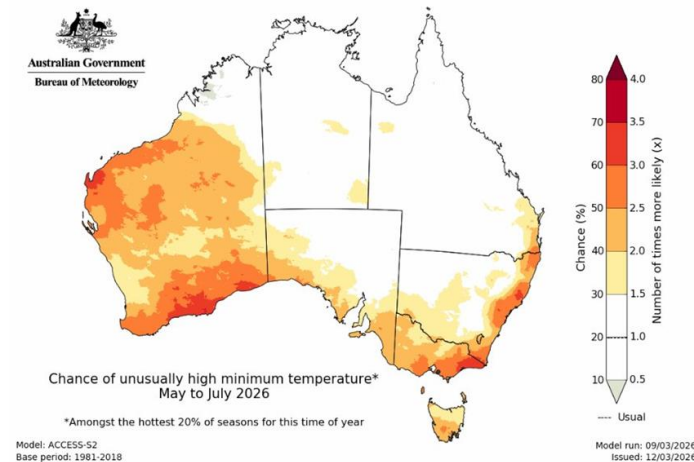
## June to August 2026

### Unusually High Maximum Temperatures



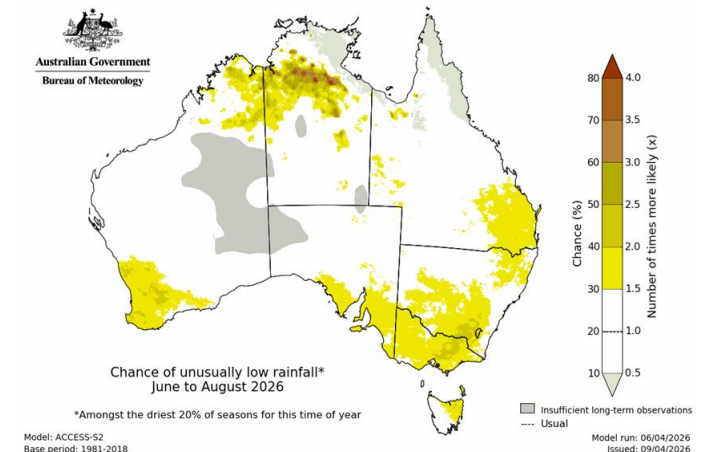
Increased likelihood (3.0 to 4.0 times more likely) of unusually high maximum temperatures across much of VIC, TAS, NSW, southeast QLD, and western parts of WA.

### Unusually High Minimum Temperatures



Increased likelihood (3.0 to 4.0 times more likely) of unusually high minimum temperatures across eastern parts of VIC and NSW, and southern/northwestern parts of WA.

### Unusually Low Rainfall



Climate models are showing a pronounced risk of unusually dry conditions for south-eastern SA and QLD, VIC, most of NSW, north-eastern TAS, and south-western WA.

# Generation and Storage Availability

On average, synchronous generation availability is expected to be similar in most NEM regions compared to an average winter availability while Queensland has notable reduction due to increased planned maintenance. There is additional BESS capacity in all NEM regions (except for Tasmania).

## Major generator changes:

- Hunter Power Station commissioning delayed from March to May 2026.
- East Coast gas usage and liquid fuel for coal generators and supply chains are being monitored.

## Several generating units are taking planned outages:

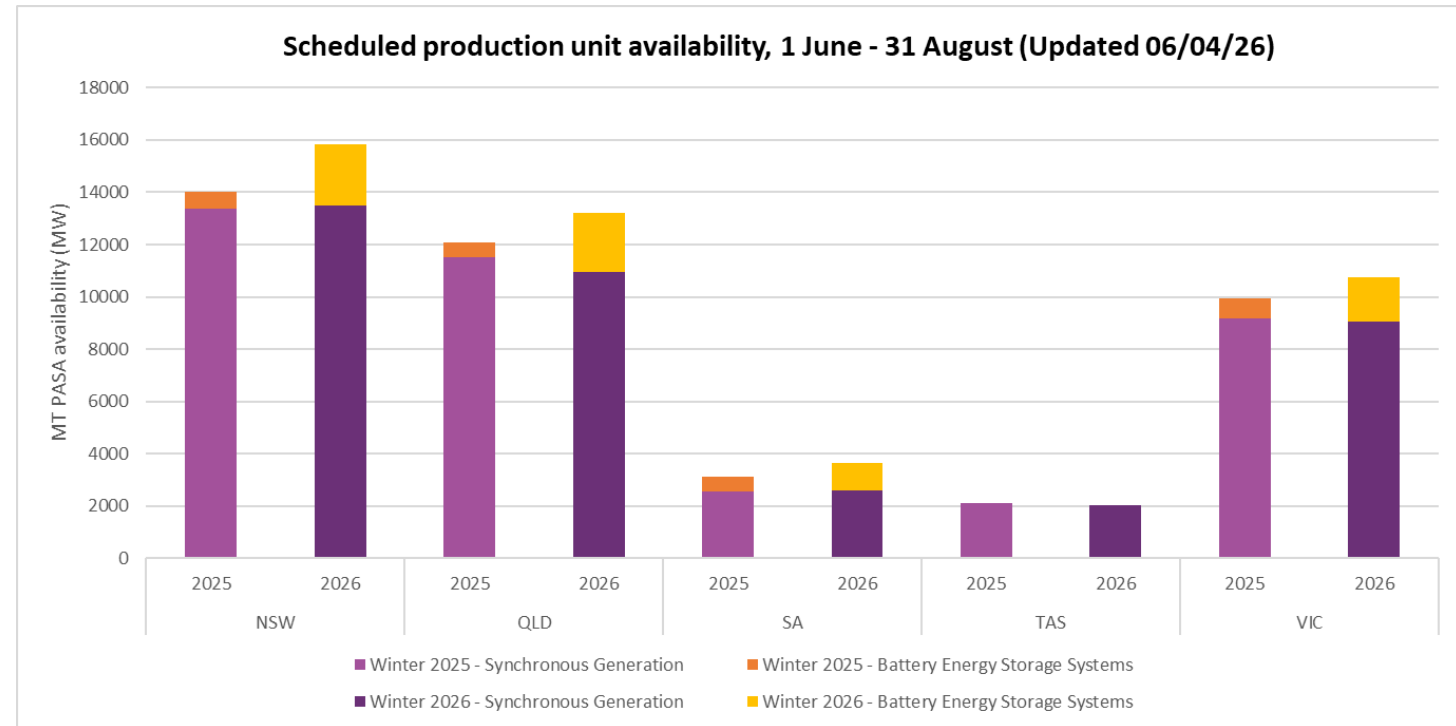
**QLD:** Braemar 3,4,7 (staggered), Callide C4, Gladstone 2, Kareeya 1-4, Kogan Creek, Mt Stuart 2, Stanwell 1,3 (staggered), Swanbank E and Tarong 3 (end of winter)

**NSW:** Colongra 2-4 (staggered), Eraring 2 (end of winter), Lower Tumut (capacity reduction), Uranquinty 13

**VIC:** Jeeralang B3, West Kiewa 2, Dartmouth

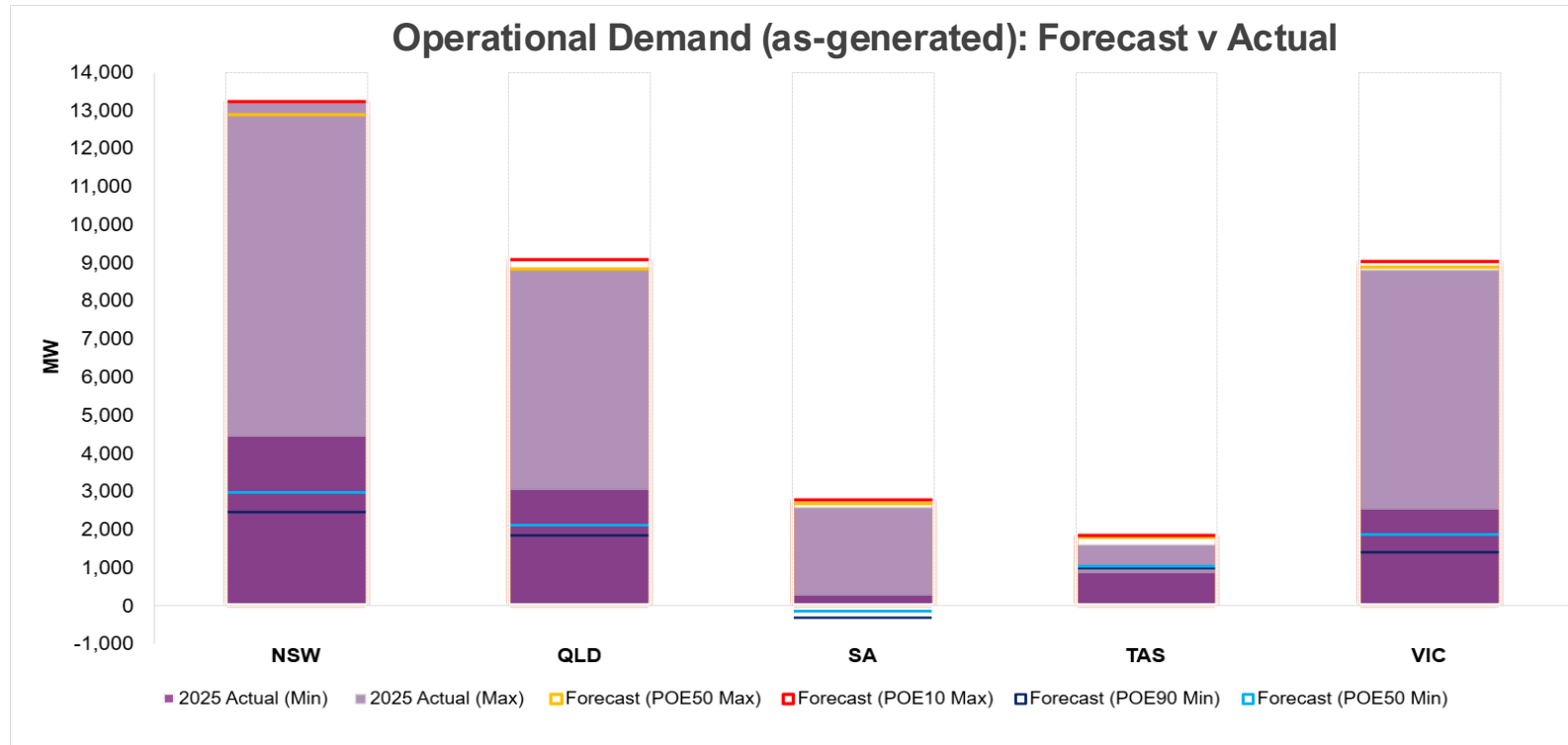
**SA:** Dry Creek 1, Quarantine 2,4

**TAS:** Bell Bay 3, Poatina, Tamar Valley CCGT



Source: MTPASA, analysis includes planned production unit outages.

# Operational Demand



Region	Record Maximum Demand* (MW)	Record Minimum Demand* (MW)
NEM	35,796 (29/01/09)	9,666 (04/10/25)
NSW	14,744 (01/02/11)	2,718 (16/02/25)
QLD	11,170 (22/01/25)	2,790 (31/08/25)
SA	3,399 (31/01/11)	-263 (25/12/25)
VIC	10,736 (27/01/26)	1,287 (27/12/25)
TAS	1,790 (21/07/08)	678 (02/11/25)

Extreme cold snaps could result in 1 in 10-year maximum demand levels (10% Probability of Exceedance (POE)).

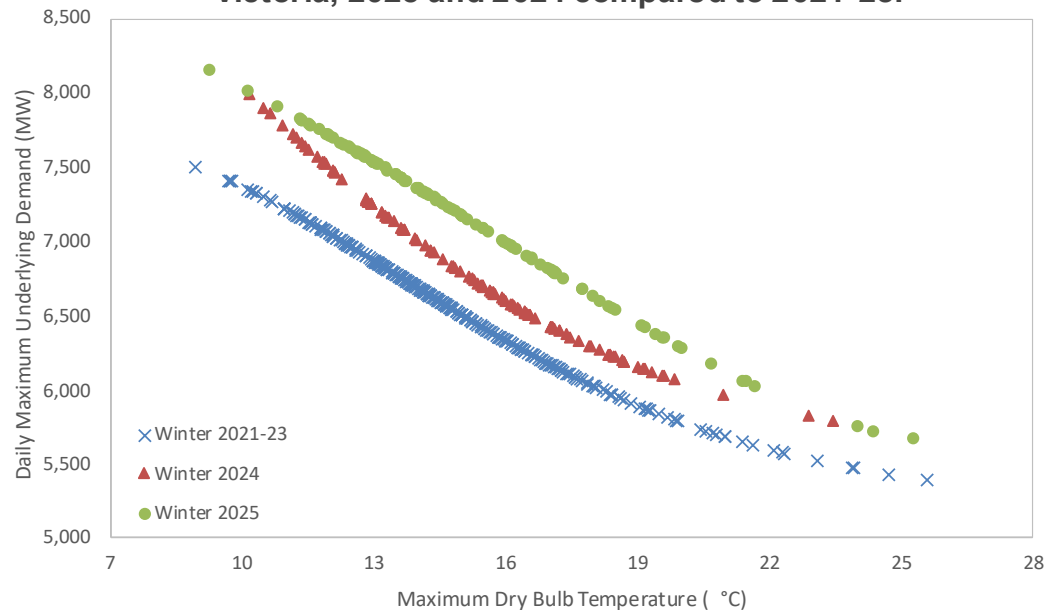
10% POE demand combined with periods of low VRE availability and or scheduled generation and network outages could lead to days with increased risk of load shedding. MT PASA loss of load probability study on the next slide provides further indication of potential risks.

Minimum System Load (MSL) risks may arise in South Australia during winter under some outage and system normal conditions, with a lower likelihood of MSL in other mainland NEM regions.

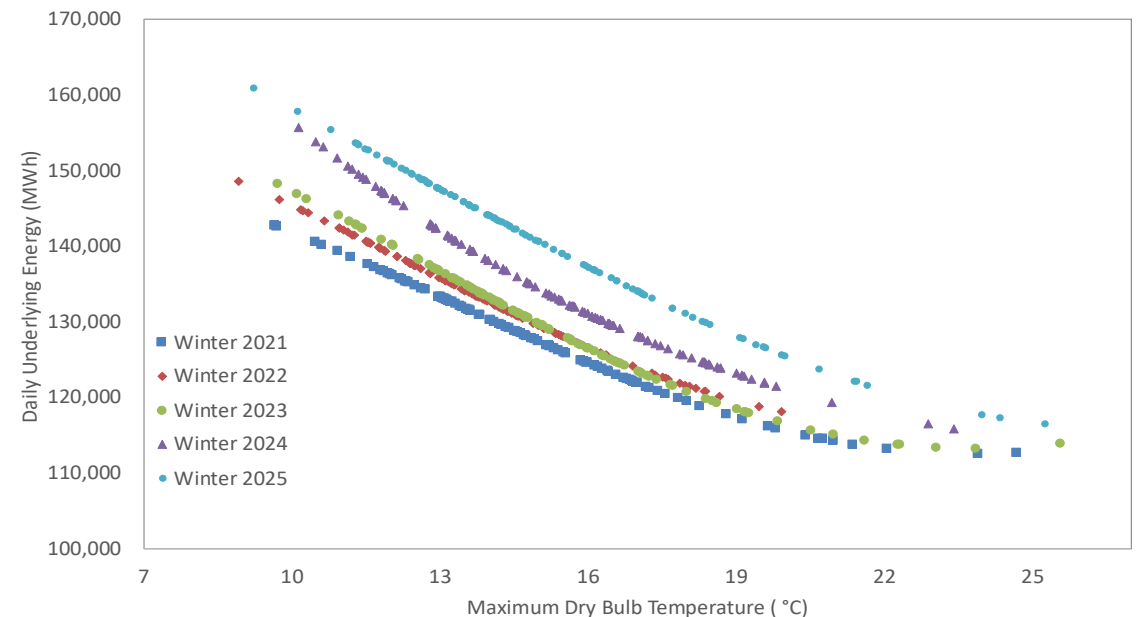
# Victoria Winter Electricity Demand Profile is Changing

Victoria region electricity demand and temperature sensitivity during winter is increasing due to electrification of homes and businesses.\*

Winter weekday maximum daily underlying operational demand against maximum daily dry bulb temperature for Victoria, 2025 and 2024 compared to 2021-23.



Winter weekday daily underlying energy against maximum daily dry bulb temperature for Victoria, 2021 to 2025.



**Source:** Temperature Forecast Analysis for Winter 2025

[https://www.aemo.com.au/-/media/files/electricity/nem/planning\\_and\\_forecasting/load-forecasting/temperature-forecast-analysis-for-winter-2025.pdf](https://www.aemo.com.au/-/media/files/electricity/nem/planning_and_forecasting/load-forecasting/temperature-forecast-analysis-for-winter-2025.pdf)

Weather sensitive underlying demand means operational demand plus rooftop PV estimate less Alcoa Portland smelter load.

\* <https://www.energy.vic.gov.au/renewable-energy/victorias-gas-substitution-roadmap>.

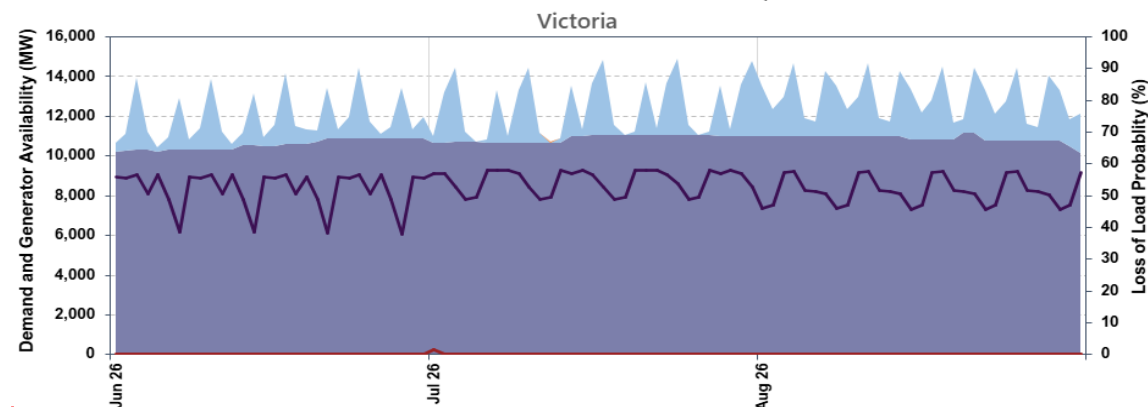
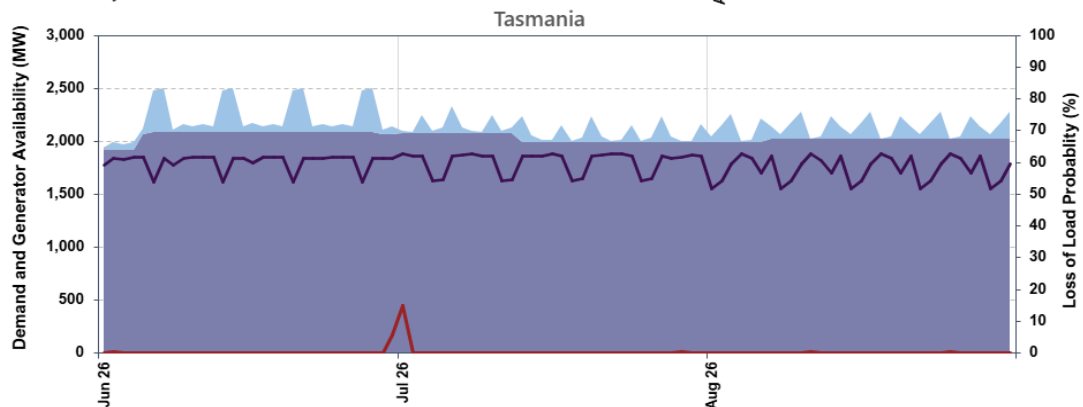
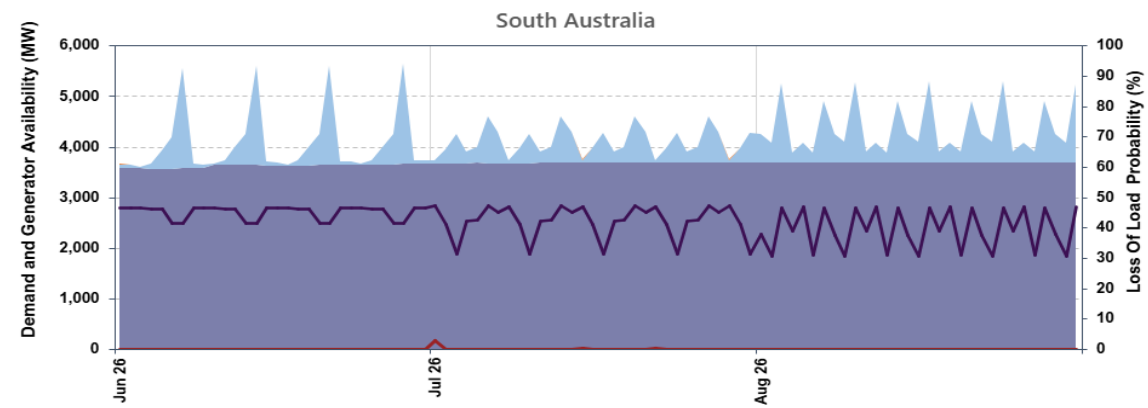
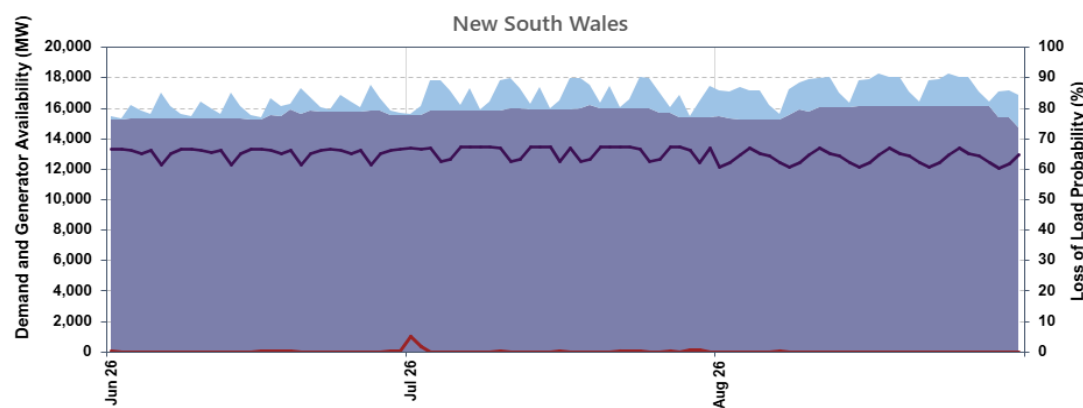
# Loss of Load Probability Study

The NEM loss of load probability (LOLP) assessment uses a probabilistic modelling approach based on scenarios with extremes for high demand and low VRE generation from historic reference years. It includes random unplanned outages and the planned outage profile in the MT PASA at the time.

The LOLP metric indicates the probability of demand exceeding supply during the highest risk 30-min period each day. It does not account for RERT or other potential emergency interventions.

Similar to previous three seasons, the study forecasts generally low LOLP across the NEM regions for the whole horizon.

In Queensland, the LOLP remains near zero throughout winter, so no chart is provided.



Note: MTPASA Run 1114 (17 April 2026), Period shown: 1 June 2026 to 31 August 2026.

# High Impact Outages / Augmentations

The number of planned High Impact Outages (HIOs) is forecast to be similar in NSW and WA. QLD, VIC, and SA have reduced volume of outages compared to Winter 2025. TAS has no planned HIOs for Winter 2026.

Key transmission lines / substations impacted:

**QLD:** Nebo - Broadsound 275 kV line outage.

**NSW:** 330 kV line outages around Lower/Upper Tumut and Canberra, 220 kV line outages around Balranald, Dumaresq – Sapphire (8J) 330 kV line outages and 330 kV Tamworth busbar outage.

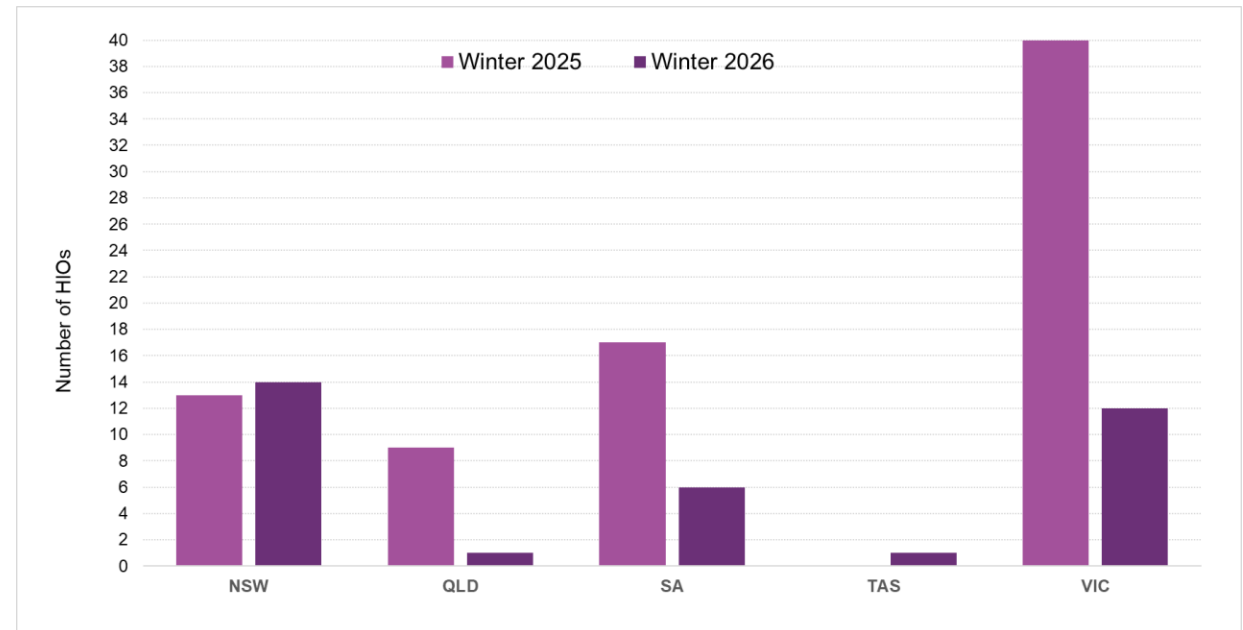
**VIC:** 500 kV lines around South Morang and Sydenham, Murray – Dederang 330 kV line.

**SA:** Heywood – South East 275 kV line outage and 275 kV line outages around Tailem Bend.

**TAS:** Basslink will be out of service for two days prior to becoming regulated interconnector from 1 July 2026.

**Note:** HIOs are allowed to proceed if there are no identified system security or reliability issues.

## High Impact Outages (HIOs): 1 June 2026 – 31 August 2026 (updated: 7/4/26)



Inter-regional augmentations and capacity increases:

- Possible 50 MW increase from QLD to NSW (from 1400 MW to 1450 MW).
- Possible Project EnergyConnect (PEC Stage 1) and Heywood combined transfer capacity increase:
  - SA – VIC (from 700 to 750 MW)

**Note:** Capacity increases are dependent on completion of the commissioning tests influenced by prevailing market conditions.

# NEM GPG Supply Adequacy

The unprecedented rapid roll-out of new large-scale battery storage is crowding out GPG's typical role, increasing uncertainty around the forecast need for GPG, particularly on the lower bound.

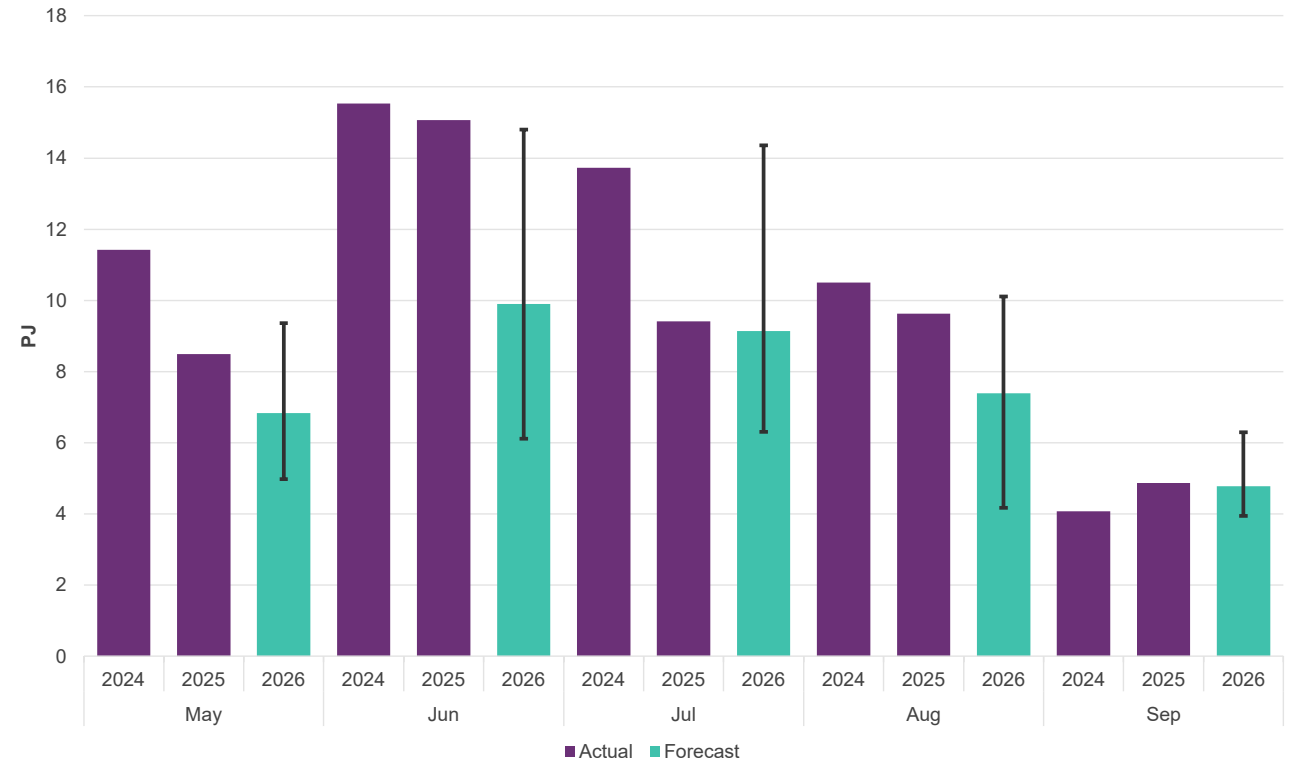
Actual GPG usage this winter will be heavily influenced by weather patterns and resulting VRE generation output, with possible amplifying factors of coincident coal generation outages and high operational demand.

Extended periods of high GPG demand increases the risk of winter gas supply.

High GPG demand days were experienced during both June 2024 and June 2025, along with higher electricity demands, which resulted in a rapid drawdown of Iona storage inventory.

Supply is expected to be sufficient to meet "high" GPG demand (upper bound of demand forecast range).

## NEM GPG Fuel Offtake



**Note:** The bars in this graph represent the uncertainty in the forecast across a range of weather conditions (with random generator outages).

**Source:** AEMO 2026 GSOO *Step Change* scenario and reference years 2011 to 2024.

# Communication and Engagement is Central to Our Success

During pre-summer planning we ask participants to identify potential issues so we can incorporate them in our planning process. We continue to engage with participants through multiple touchpoints so that their concerns are understood and we manage the seasonal challenges together as trusted partners.



## Planning

- Risks identified by TNSPs and market participants through direct engagement are considered in the winter preparation activities.
- Crisis and Emergency Management Framework, Crisis Management Plan and Emergency Management Plan updated.



## Training

- Online training for Responsible Officers, Jurisdictional System Security Coordinators and Jurisdictional Designated Officers provided.
- Internal Crisis and Emergency Management training provided.



## Exercises

- The National Gas Emergency Response Advisory Committee (NGERAC) pre-winter gas emergency exercise will be held on 12 May 2026.
- The Victorian Gas Emergency Management Consultative Forum (GEMCF) annual gas emergency exercise will be held on 20 May 2026 followed by the GEMCF pre-winter committee meeting on 22 May 2026.



## Engagement

- Pre-winter briefing conducted as part of the National Electricity Market Emergency Management Forum (NEMEMF) and National Gas Emergency Response Advisory Committee (NGERAC) will be held on 12 May 2026.
- Regular seasonal readiness meetings with Energy Policy WA (Coordinator of Energy) and WA Govt-owned entities (Western Power and Synergy)

### Whole of industry

- Annual Gas Industry Winter Briefing will be held on 6 May 2026.
- Winter Outlook and Readiness Briefing at next WA Electricity Consultative Forum.

- Planned briefings – jurisdictional (weekly) and industry (fortnightly).

### Ongoing engagement

- Continued fortnightly meetings with WA Government and key stakeholders and ad hoc in response to LRC events.
- Use of digital platforms, Media engagement.

Pre-winter

During winter

# Network and Generation Availability Risks

Risks	Mitigation
Network and generation-forced outages exceeding limits historically observed.	<ul style="list-style-type: none"> <li>• GPG to provide backup generation.</li> <li>• Additional battery storage commissioned in all NEM and WEM regions (except Tasmania).</li> <li>• Ensuring regular maintenance activities are carried out and risks identified early by asset owners.</li> <li>• RERT Panel: Short Notice RERT.</li> <li>• AEMO is monitoring generation availability across all regions.</li> </ul>
Cold snaps / unplanned generation outages resulting in elevated / co-incident demand for gas consumption and GPG, reducing availability of GPG.	<ul style="list-style-type: none"> <li>• Signal to industry if there is a forecast shortfall.</li> <li>• GPG switching to alternative fuel source (diesel), AEMO's East Coast Gas System functions utilised to increase gas supply from Queensland.</li> <li>• Coordinated response with NEM to respond to possible gas generation fuel supply shortfall.</li> <li>• RERT Panel: Short Notice RERT.</li> </ul>
Network and generation maintenance / commissioning activities extending beyond target completion dates.	<ul style="list-style-type: none"> <li>• AEMO is working closely with TNSPs and Generators to understand delays/modifications to planned maintenance due to resourcing issues, parts sourcing or other reasons.</li> <li>• Recall of planned transmission outages and generation (where possible).</li> </ul>
Storms / flash flooding impacting coal supply and transmission.	<ul style="list-style-type: none"> <li>• BOM is forecasting below average rainfall across most of the country, there is low risk of extreme floods.</li> <li>• Contracting coal from diverse sources and building up coal stock.</li> <li>• Monitor coal generation availability and stockpile levels.</li> <li>• Monitor risks with asset owners.</li> </ul>
Unplanned network events including during high/low demand periods.	<ul style="list-style-type: none"> <li>• Contingency plans in place.</li> <li>• Minimum System Load and Lack of Reserve management procedures.</li> </ul>
Liquid fuel availability risk for supply to coal generators and associated supply chain.	<ul style="list-style-type: none"> <li>• Escalation to Jurisdiction for priority re-direction of fuel.</li> <li>• Implement (pre-determined) most economical operation and running of the coal (and potentially gas) units to preserve fuel / coal usage.</li> <li>• Optimise the combination of units that can operate to enable greatest system strength / security outcome.</li> </ul>

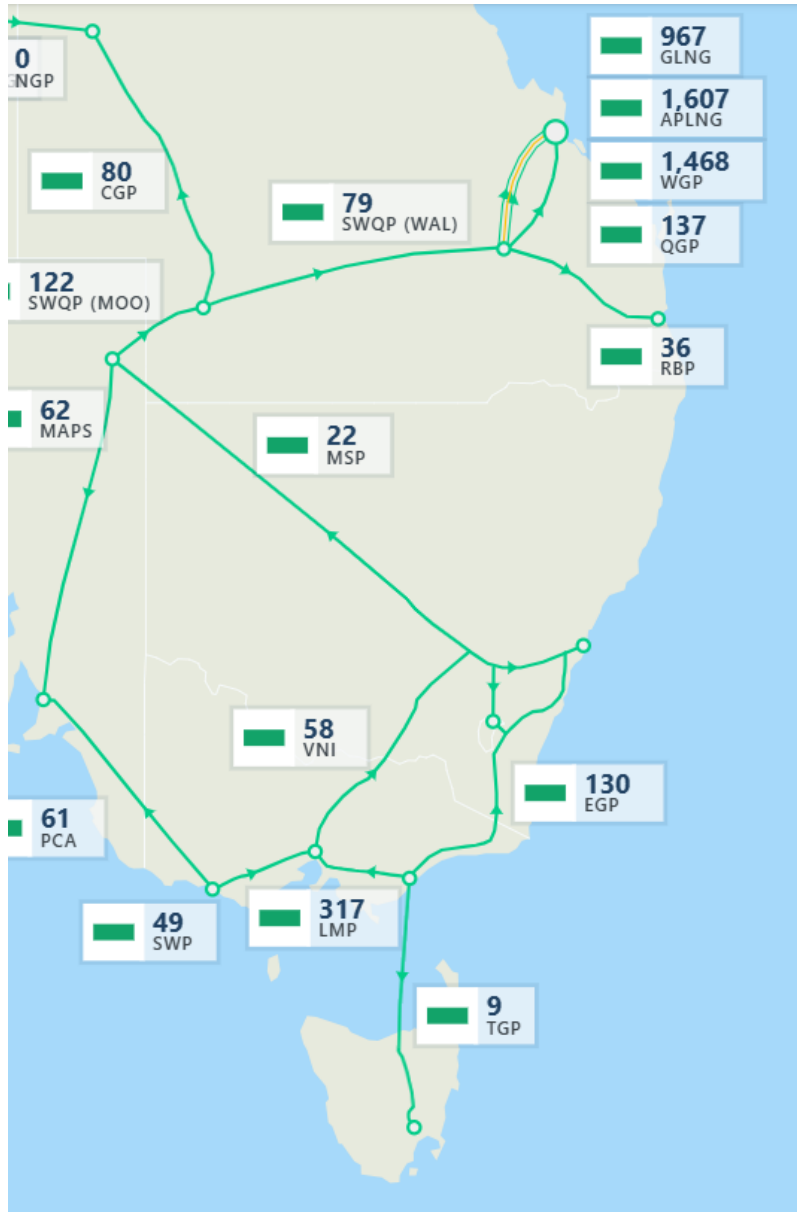
# East Coast Gas System 6 month outlook

6 May 2026

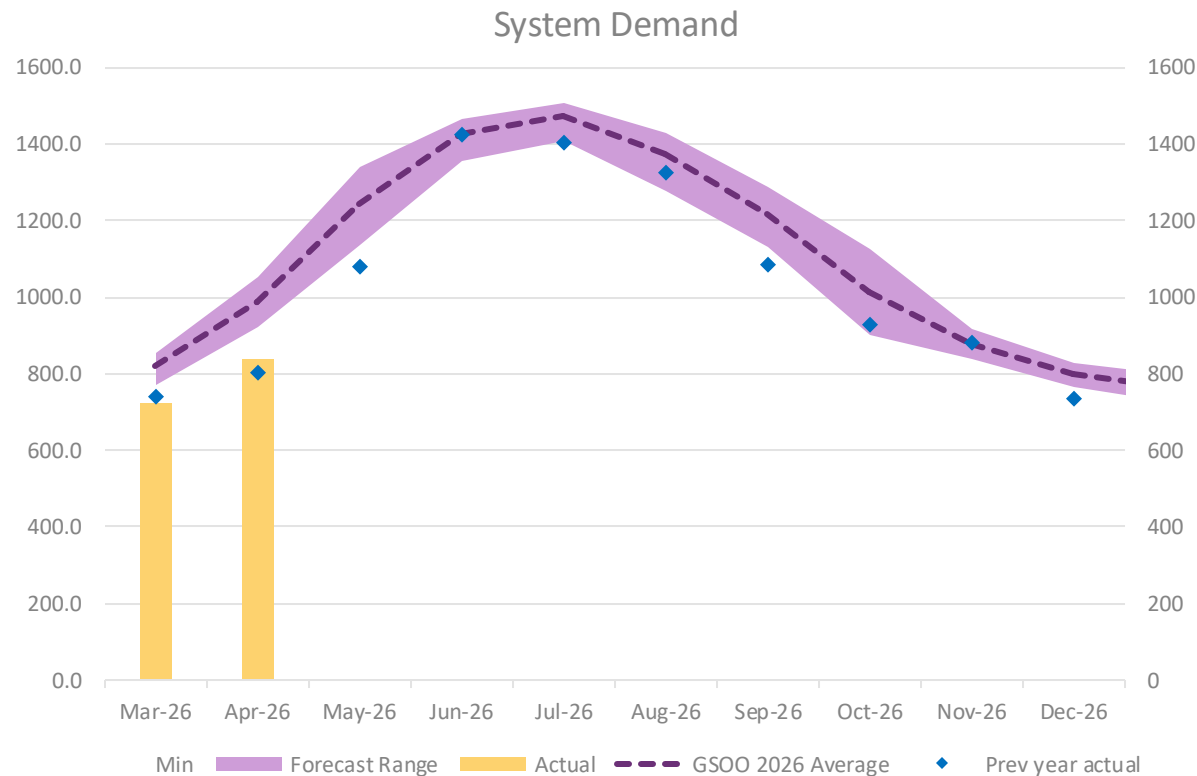


# Overview

- Demand Forecast
- Supply Forecast
- Storage Levels
- Supply Adequacy
- Operational Risks



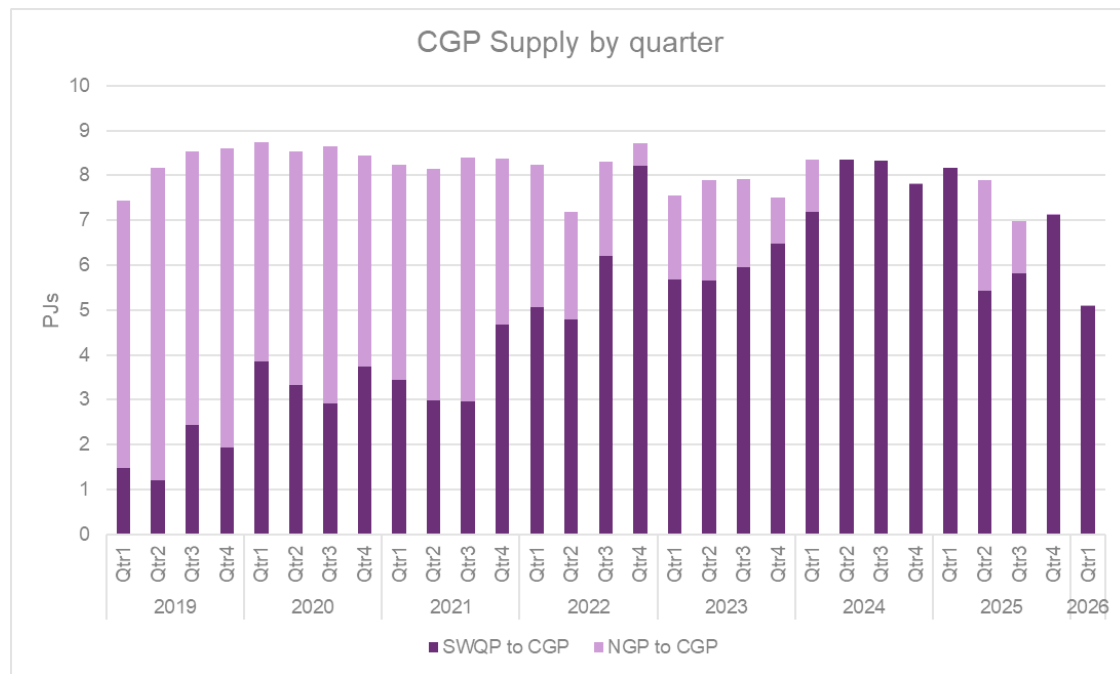
# System demand forecast



Source: AEMO, Gas Statement of Opportunities (GSOO) 2026

- AEMO uses the GSOO 2026 demand forecast for its medium-term forecasting
- This forecast indicates that residential, commercial and industrial demand is expected to continue to decline
- AEMO notes the closure of significant industrial users, such as Oceania glass in 2025, as well as dairy, food and paper manufacturing industries.<sup>1</sup>
- This will be further influenced by the forecast of warmer weather and less than average rainfall over the next 6 months

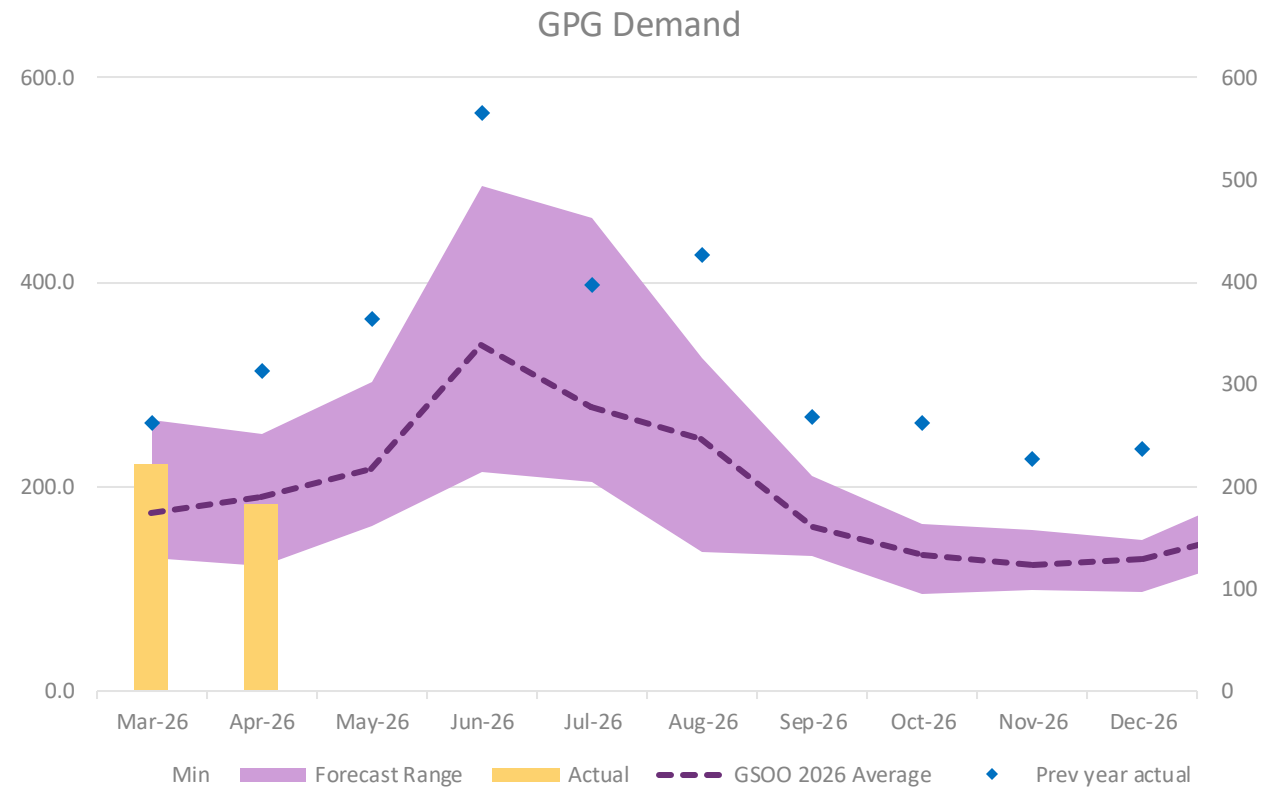
# CGP gas deliveries



- Gas deliveries from NT have continued to decline since the construction of the NGP
- SWQP has been increasingly supporting CGP demand, limiting transportation capacity to southern states
- As new NT gas sources come online, AEMO expects there may be a return of NGP flows, increasing SWQP capacity

# GPG forecast

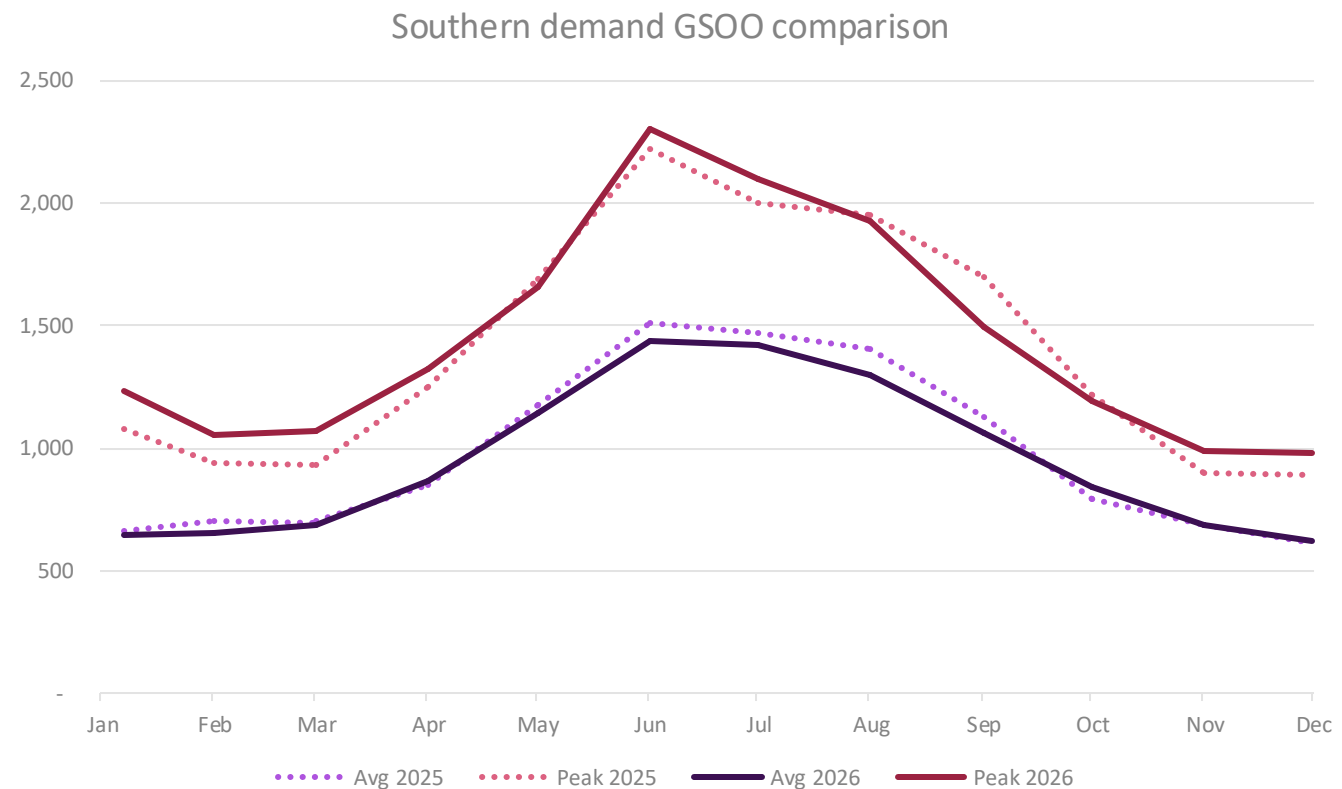
- GPG forecasts continue to remain volatile as the roll-out of large scale battery storage continues
- Actual GPG usage over winter will be heavily influenced by VRE generation and baseload generation availability
- High GPG demand was experienced in both June 24 and 25 which resulted in rapid drawdowns of Iona inventory



Source: AEMO, Gas Statement of Opportunities (GSOO) 2026

# Demand forecast comparison

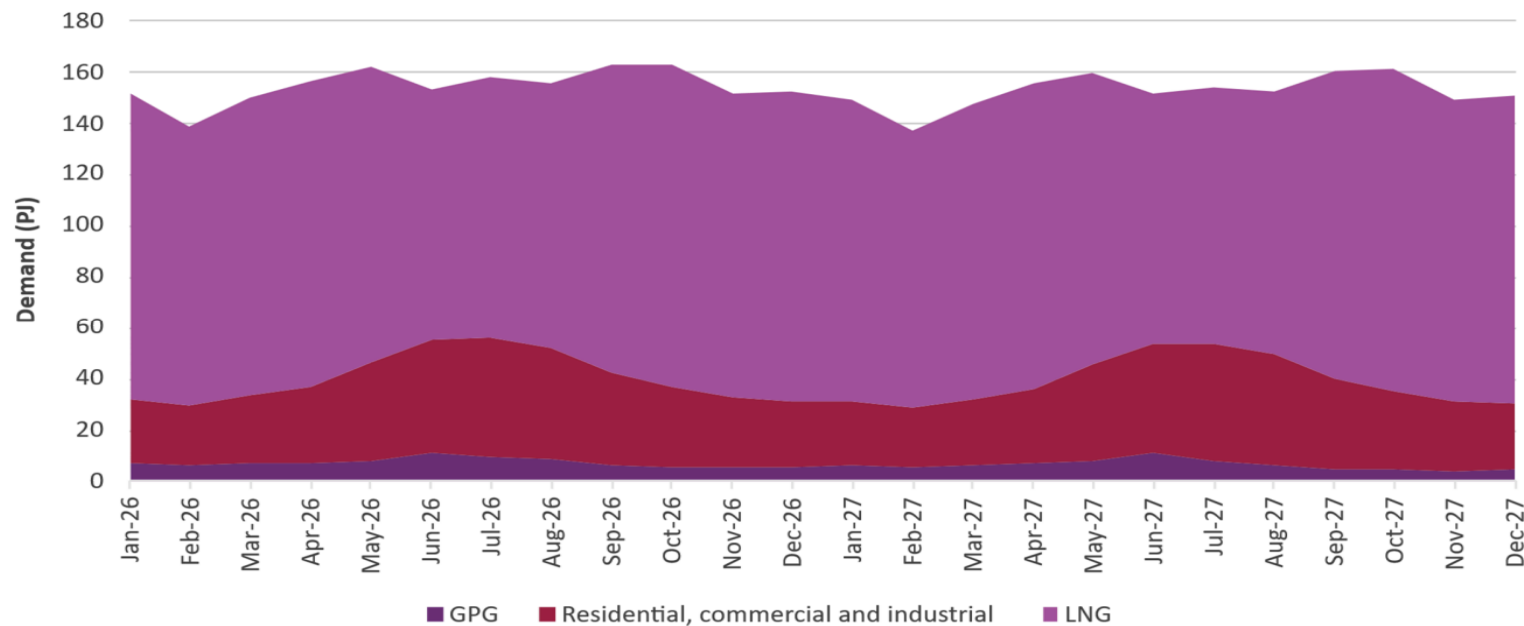
- Average southern demand forecast for 2026 has been revised down compared to the previous GSOO.
- However, forecast peak demands in the southern states increase slightly during winter, driven by increased GPG demand



Source: AEMO, Gas Statement of Opportunities (GSOO) 2026, Table 7.

# LNG export forecast

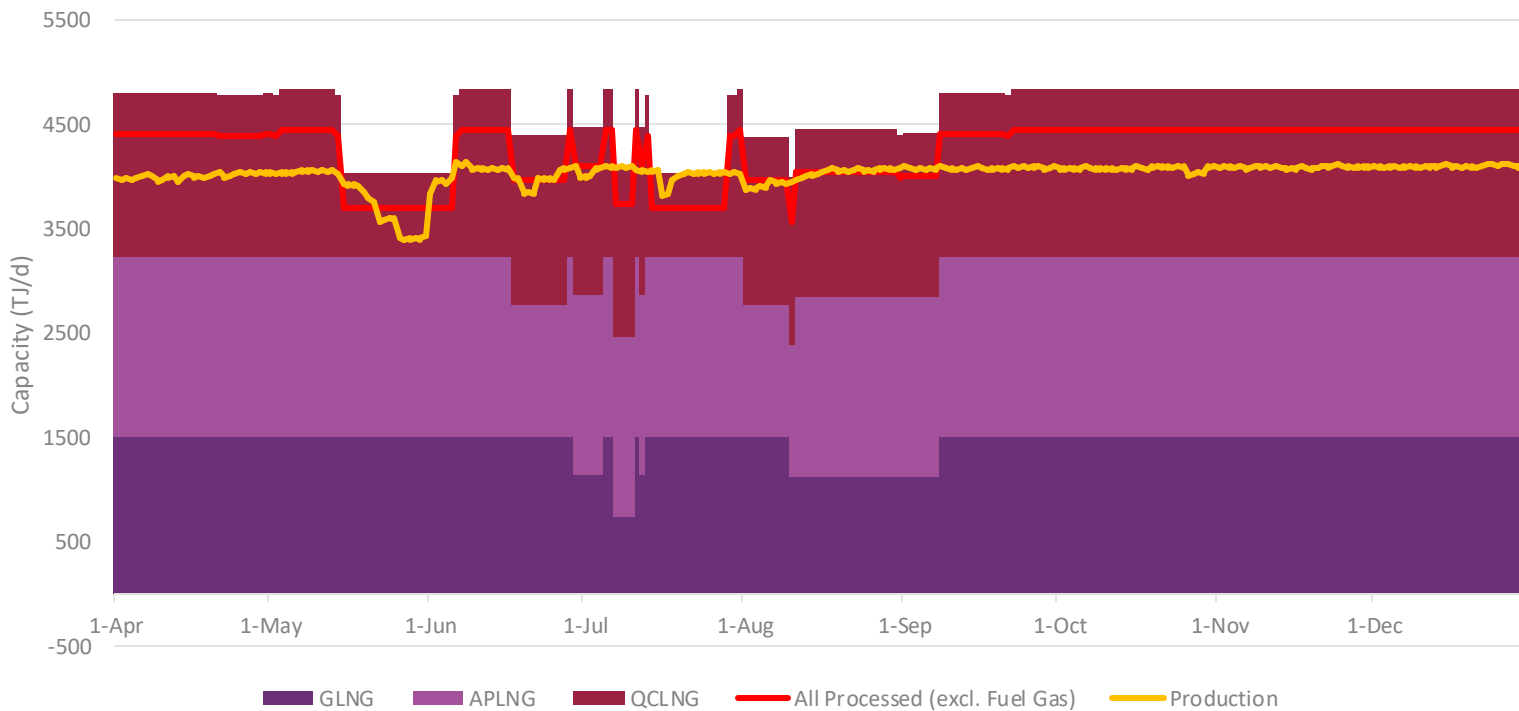
Figure 65 Forecast monthly demand by sector for 2026-2027, Step Change, average across all reference years (PJ)



- LNG exports for 2026 are similar to 2025 export levels
- AEMO receives the latest export forecasts under its ECGS powers
- LNG exports are forecast to reduce over the winter months
- This is generally due to lower international demand and increased domestic demand
- AEMO is engaging with the government on the ADGSM notice of intent for Q3 2025. A decision is expected in mid-May

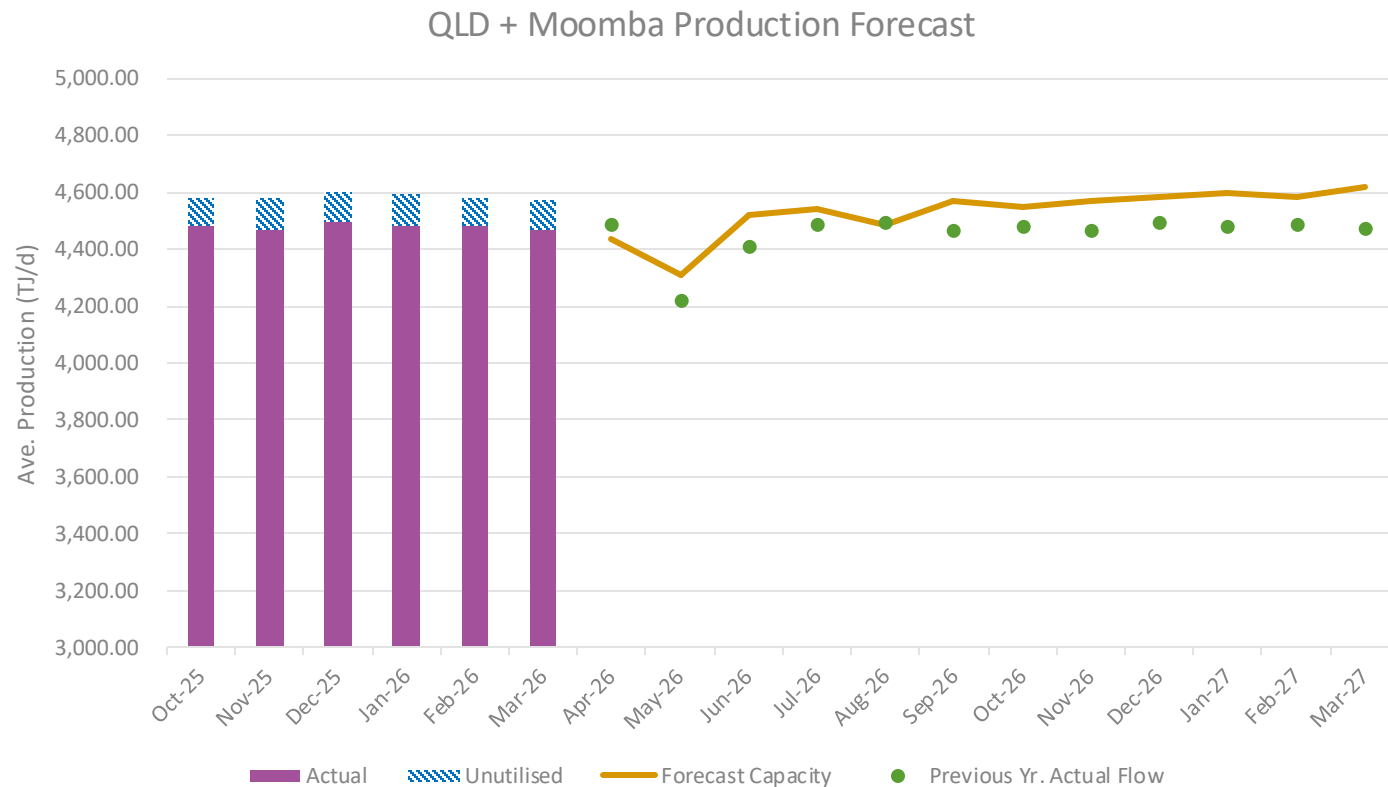
# LNG export forecast

Gladstone LNG Export Facility Maintenance



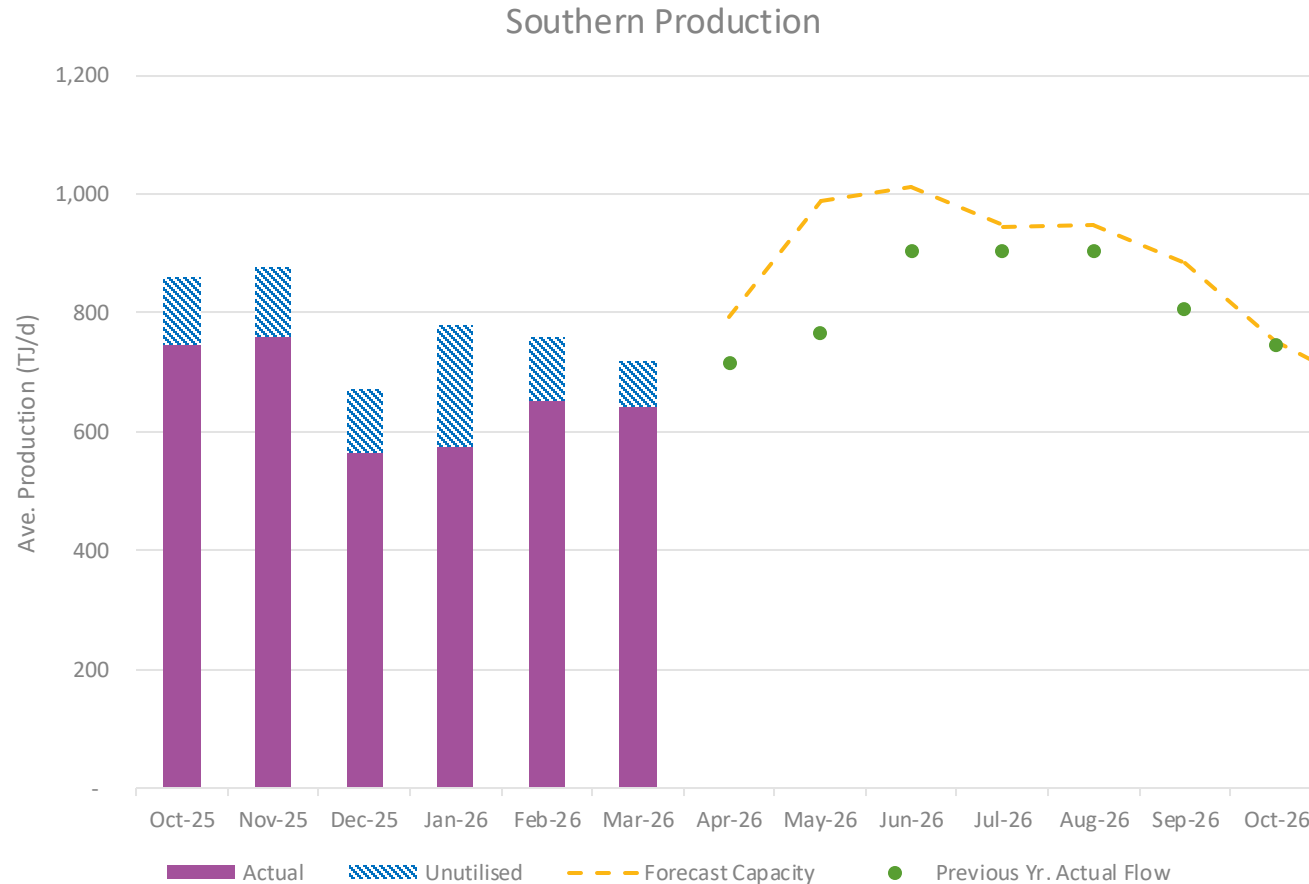
- Maintenance at all 3 LNG facilities is expected to be conducted in winter
- No reduction of upstream production capacity outside of May is forecast at this stage
- APLNG and QCLNG generally run their facility at full capacity, so any maintenance is expected to impact domestic supply positively

# QLD + Moomba production forecast



- Queensland production is expected remain around 4400 TJ/d for most of winter
- Reduction in facility capacity in May aligns with planned LNG maintenance at QCLNG
- AEMO expects that there may be further outages taken at other facilities if the expected production surplus during LNG facility outages cannot be sold

# Southern production forecast

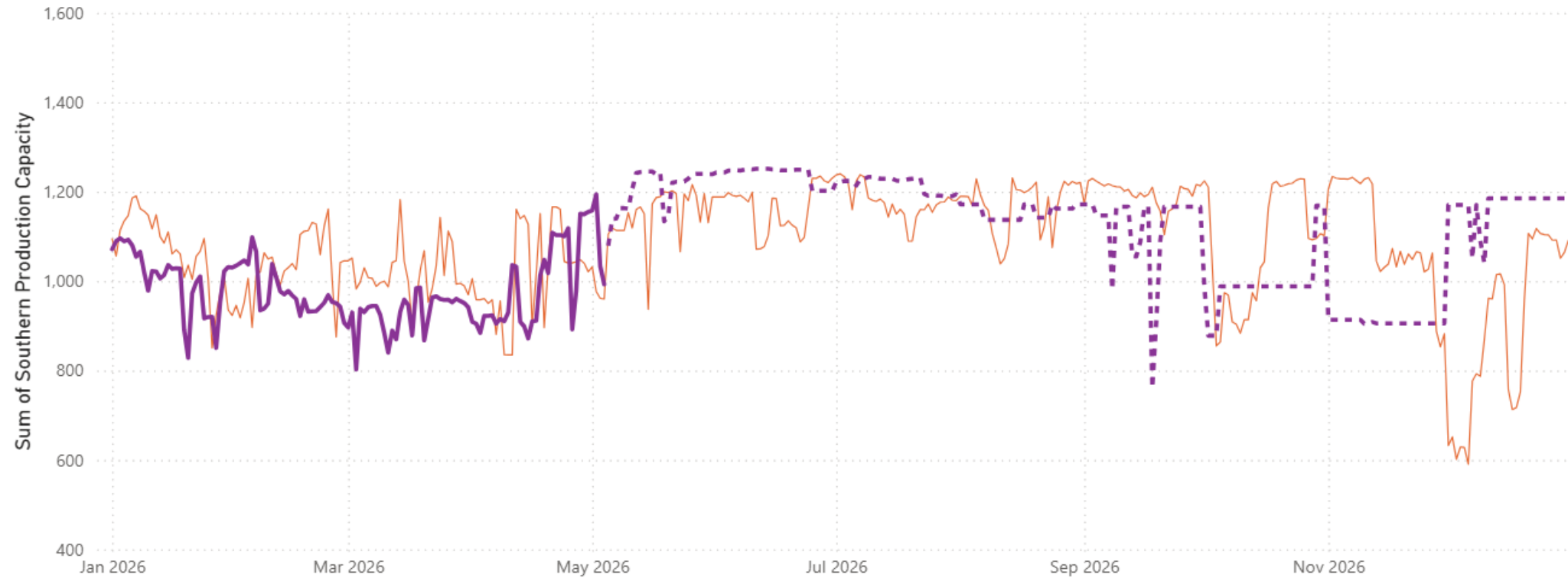


- Southern production is expected to increase over winter as southern production facilities ramp up to full capacity
- Forecast capacity drops in July due to Longford capacity reduction, and again in October due to a planned plant outage at Otway
- During Winter 2025, an average of 87% of capacity was utilised, and peak southern production was 1001TJ on 1 July 2025.

# Southern production forecast

## Southern Production Capacity

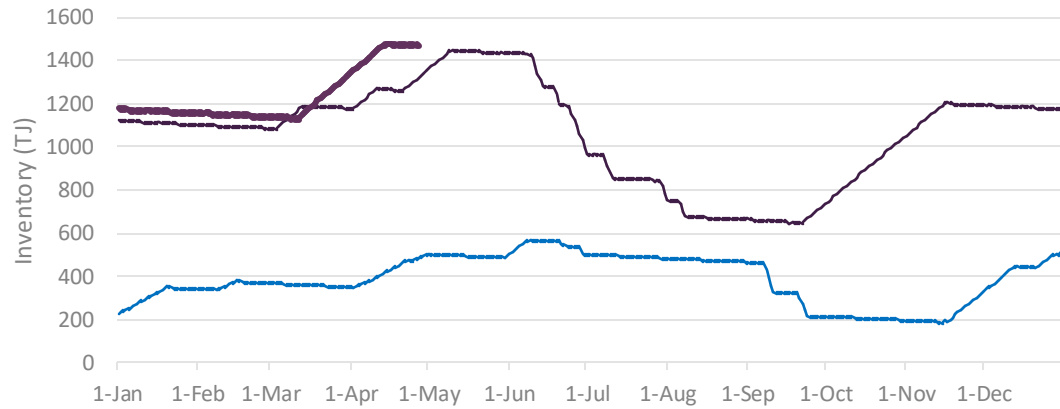
Series ● 2025 ● 2026 ● 2026 Forecast



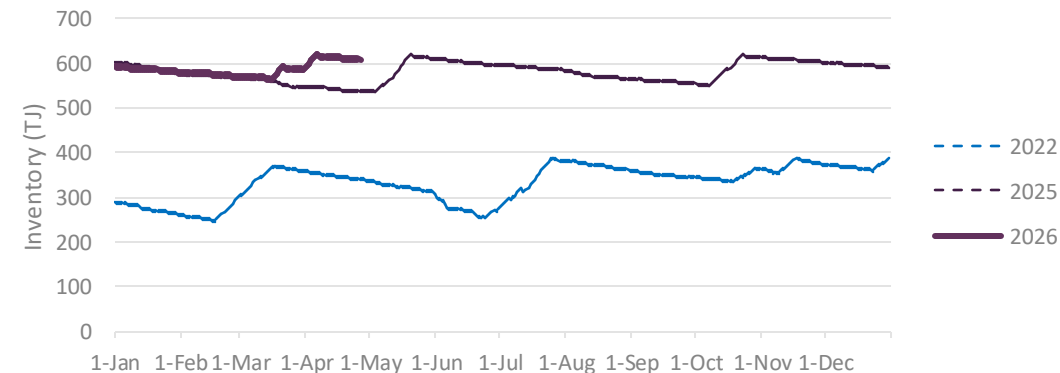
# Gas storage levels

- All southern storage facilities are full, Iona sitting above reported maximum capacity
- Ongoing storage modelling and monitoring to assess storage withdrawals and any risks to supply adequacy

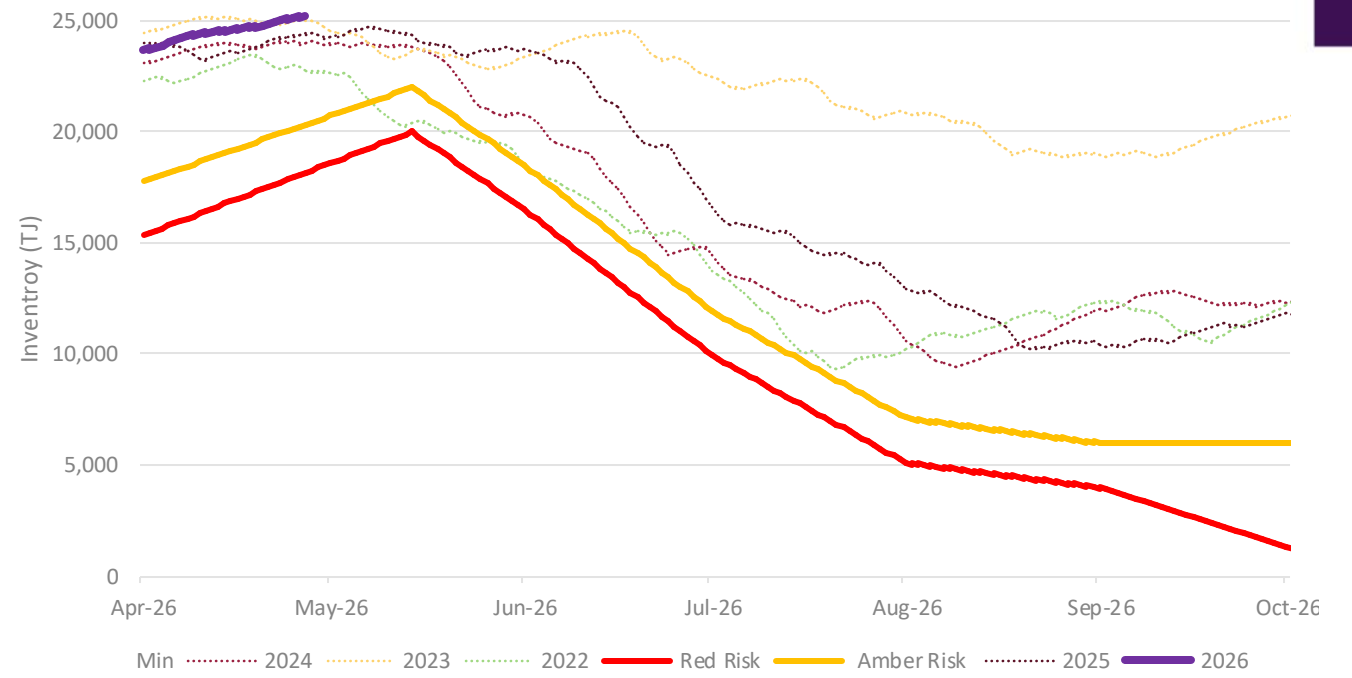
Newcastle LNG Storage



Dandenong LNG Storage



Iona UGS Inventory



Source: AEMO Gas Bulletin Board, Medium Term Capacity Outlook, 29 April 2026

# Transportation capacity

- All major pipelines have reported sufficient capacities for the outlook period
- AEMO expects the MSEP to come online in mid 2026, which will increase MSP capacity by 25TJ/d
- MAPS pipeline has returned to full capacity since the flooding event in April 2025, but AEMO is continuing to monitor the status of the pipeline



# Supply Adequacy

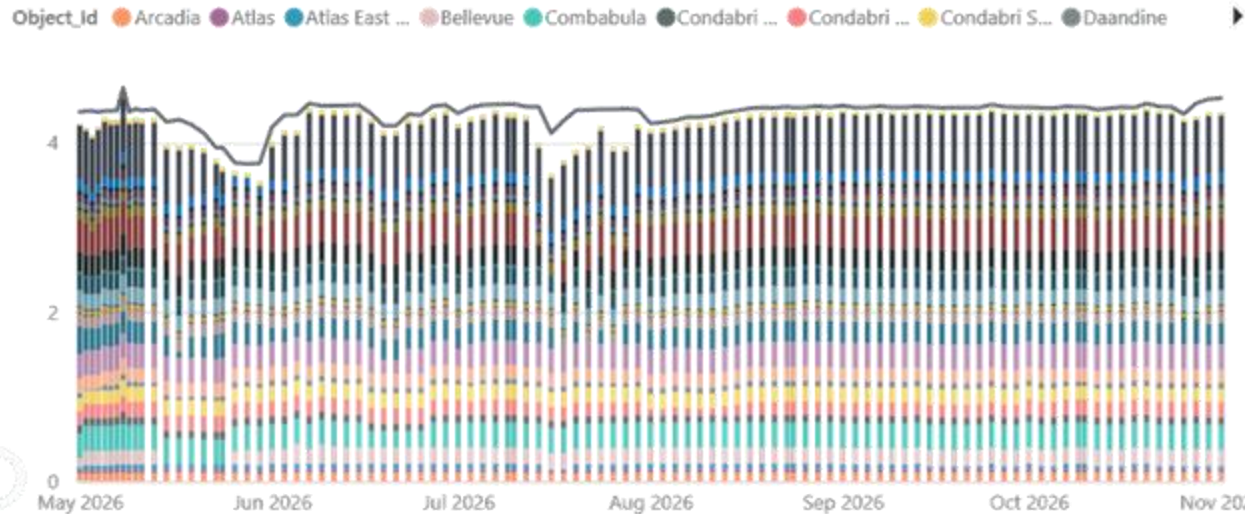


- **Seasonal adequacy**
  - Is there sufficient gas supply over the outlook period for all the forecast demand?
  
- **Peak-day adequacy**
  - Is there sufficient gas supply capacity throughout the outlook period to address any peak day demands?

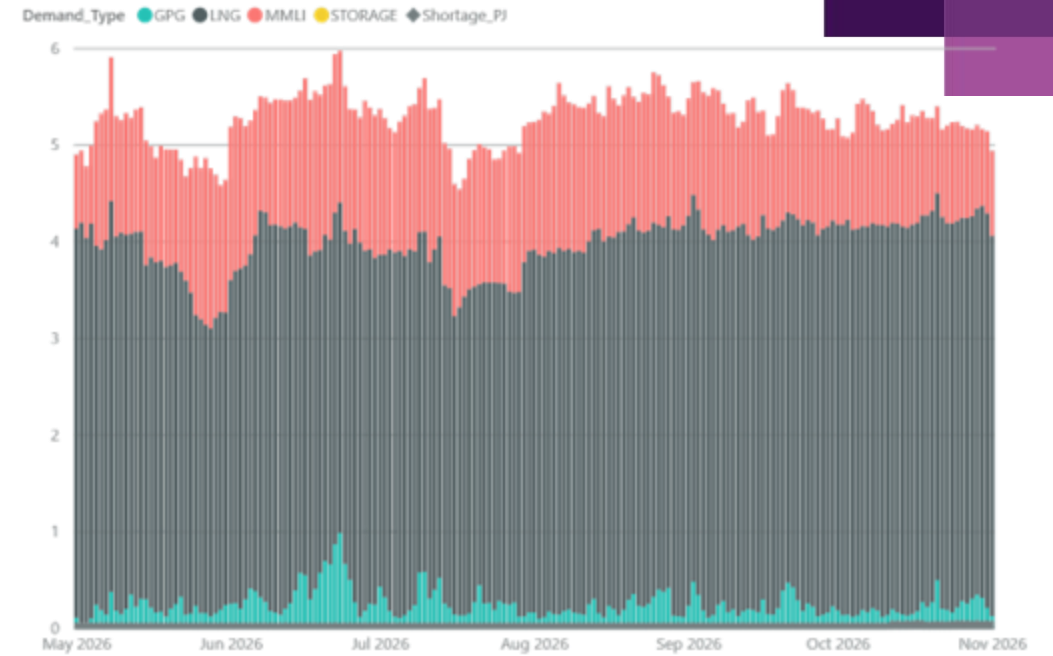
# Supply Adequacy

- AEMO conducts regular modelling to identify potential risks or threats, and to evaluate credible contingency scenarios
- AEMO's ECGS model is built upon the GSOO model, but utilises up to date data collected from the GBB and ECGS functions, and is calibrated for near term outcomes
- Resulting models indicates potential storage withdrawals, pipeline flows, production utilisation and shortfall identification

Production\_PJ\_AVG by Plant



Demand\_PJ and Shortage\_PJ by date and Demand\_Type



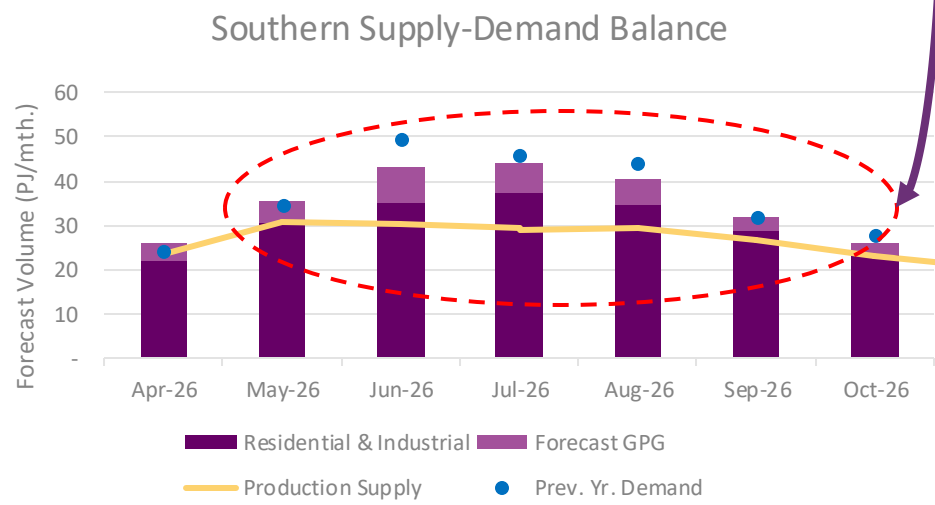
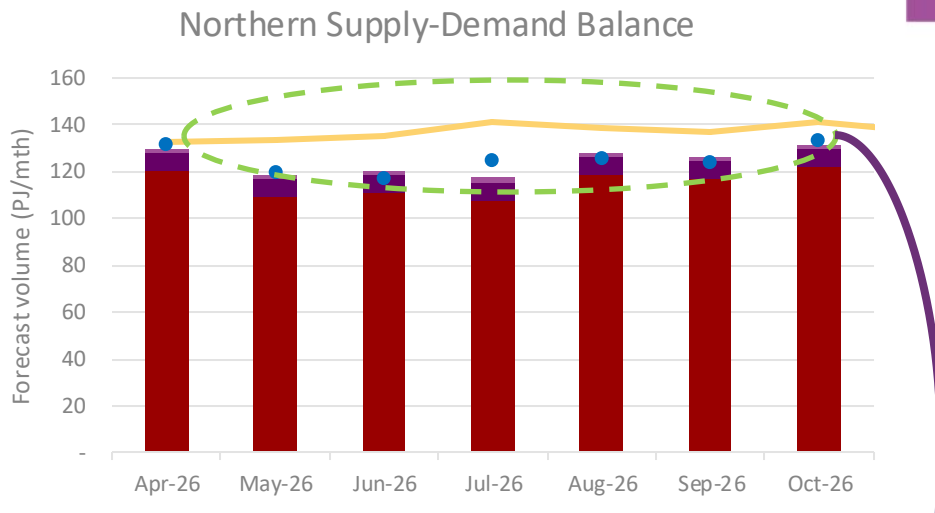
# ECGS supply adequacy

- Expected LNG export volumes remain steady with little deviation from GSOO forecasts. Some maintenance activities were moved to allow for increased exports in Q2.
- Forecast high coal generation availability and gas demand consistent with AEMO forecasts.
- Gas production supply capacity is expected to exceed demand for each month of the 6-month outlook period (except for August, which is in balance – see table below)
- Surplus gas produced in Queensland is forecast to flow down the South West Queensland Pipeline (SWQP) to help meet southern demand in excess of southern supply

**Table: Forecast East Coast Gas Production Supply Reserve (PJ/month)**

Month	Gas Production Supply Surplus
April	1.5
May	10.4
June	2.2
July	8.7
August	0.0
September	5.5
October	7.1

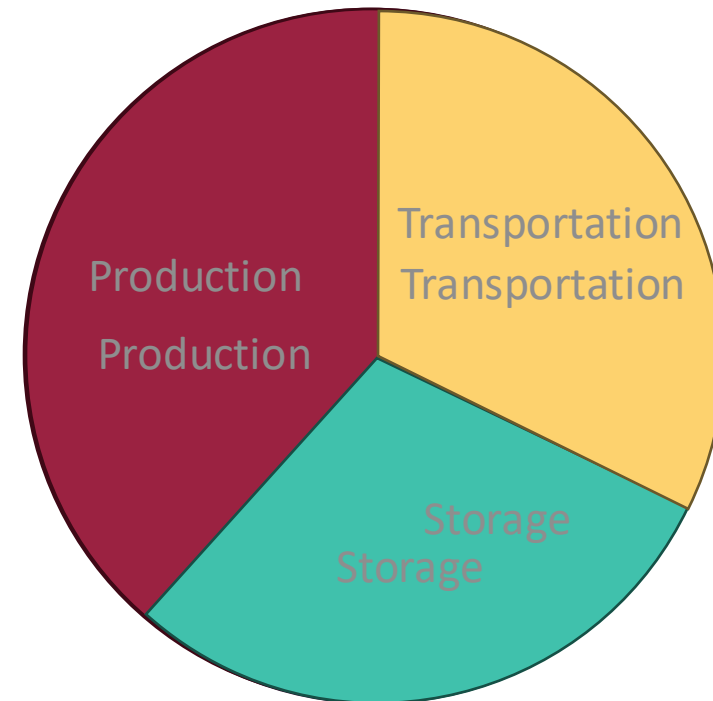
**Note:** Monthly production supply deficits are typical for the winter period when heating load is high, and gas held in storage is utilised. A total winter period production supply deficit of 10-15 PJ would still indicate sufficient supply given the current available storage



Surplus gas flows South

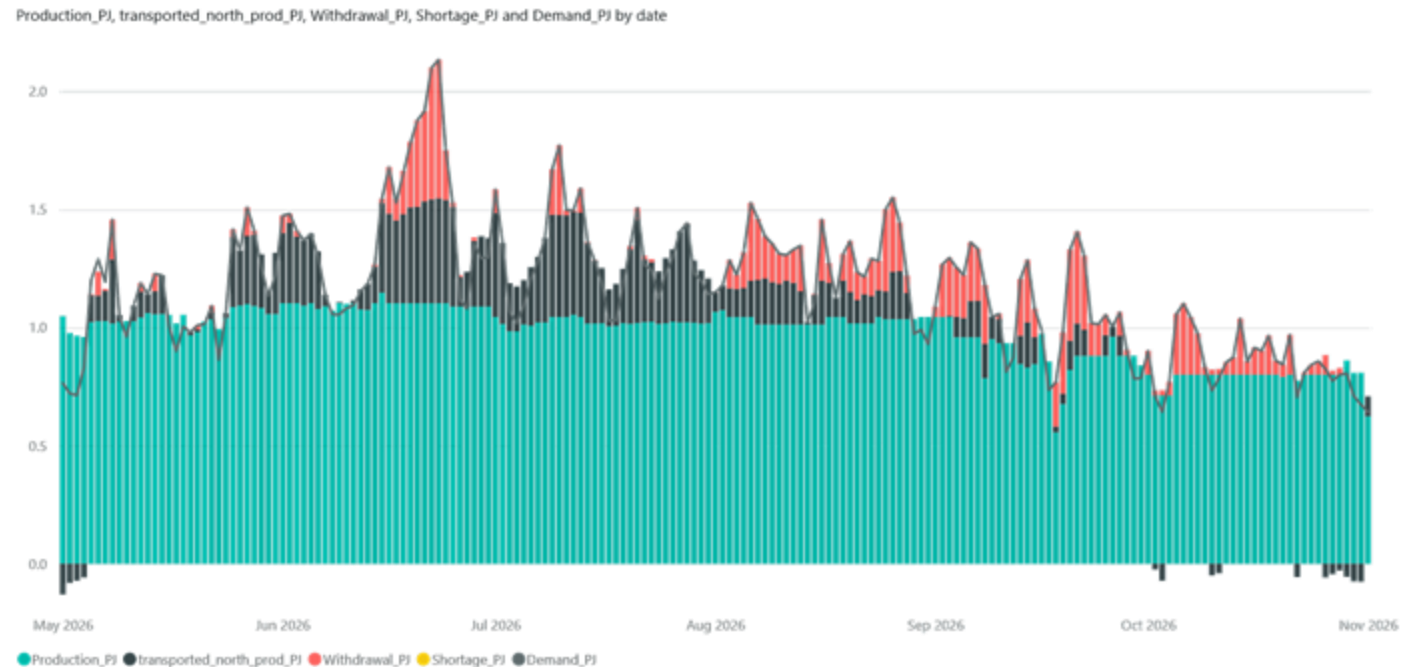
# Southern ECGS supply adequacy

- AEMO modelling is based primarily on supply capacity, demand forecasts and pipeline and storage capacities
- For the southern states, demand can be met through 3 primary sources
  - Local Production
  - Storage facilities
  - Transportation from northern facilities
- AEMO does not have a complete view of Participant supply contracting which will heavily influence the degree of Iona utilisation or transportation utilisation
- AEMO assess historical behaviour as an indicator of future market outcomes but understands that these are constantly changing.



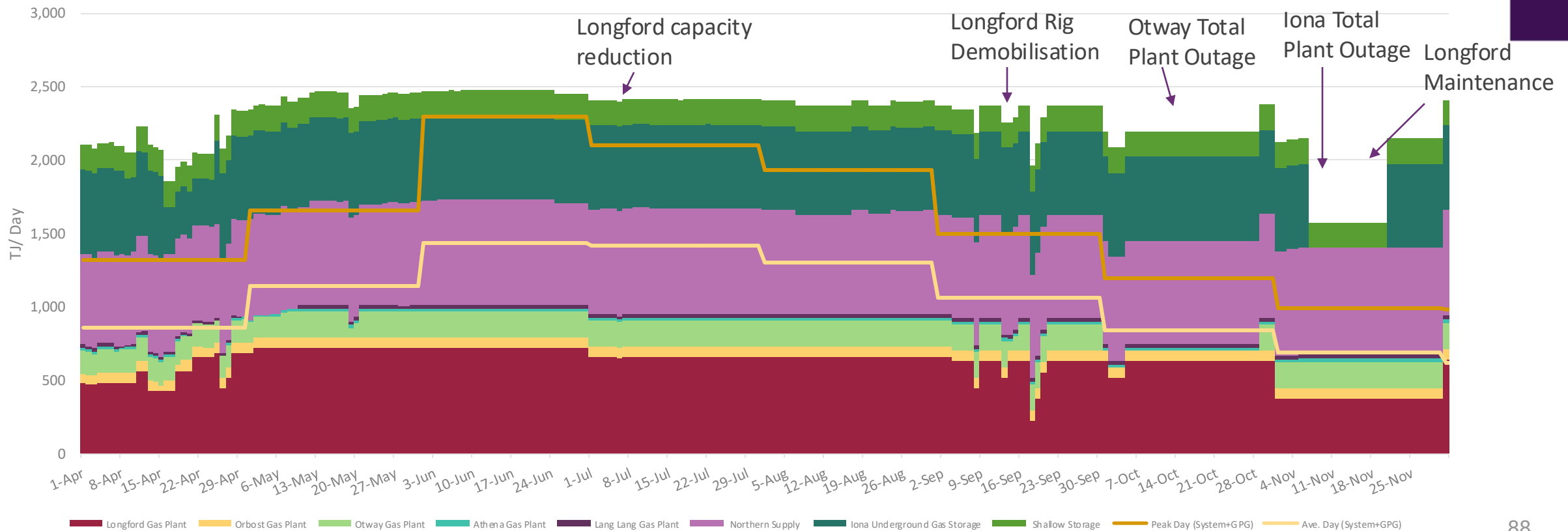
# Southern ECGS supply adequacy

- AEMO forecasts indicate sufficient supply to meet forecast demand for the remainder of 2026
- AEMO expects the deficits in supply/demand in the southern states to be resolved by flows south from QLD and flows from storage
- AEMO's modelling indicates there is surplus production available in the winter months currently, however there may be some drawdown through to November due to planned maintenance activities



# Southern ECGS peak day adequacy

- Peak demand days will still require majority of production, transportation and storage capacity to be available during winter.
- AEMO notes there will be overlapping maintenance activities during Spring 2026 in the southern states that will require continued monitoring and assessment
- The alignment of supply and storage outages could present a risk if not monitored, however, it improves the refill period for Iona prior to Winter 27

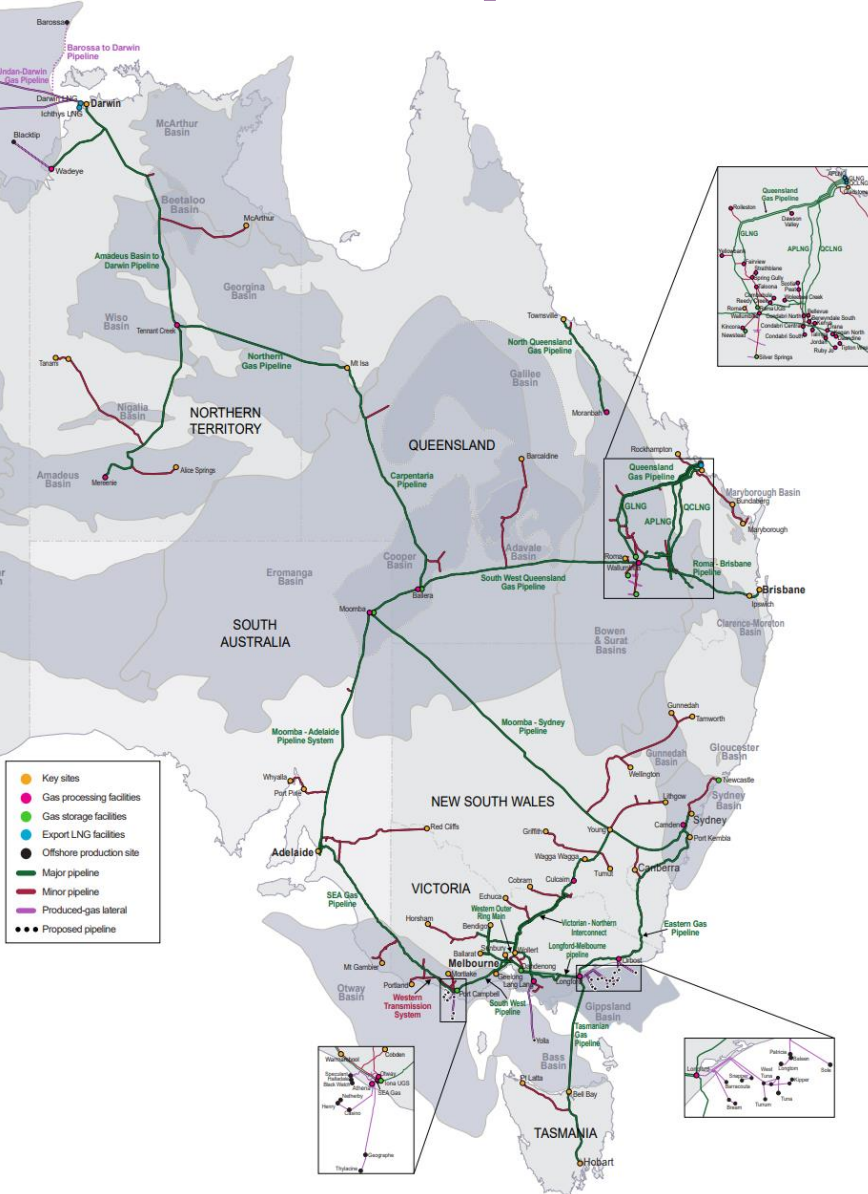


# Operational Risks

- GPG demand
  - Due to the variability of renewable generation with the weather, and the ageing fleet of coal units in the NEM;
- Middle East Conflict
  - The Strait of Hormuz remains effectively blockaded by both US and Iran forces at this point
  - We have already seen international prices rise, with significant volatility reflecting the fluid nature of the situation
  - AEMO is monitoring LNG exports closely to ensure that supply to the ECGS remains sufficient
- Field depletion
  - As the gas fields continue to produce gas year in and out, their initial reservoir of gas is drawn down
  - Esso has reported expected production declines in July 26 as some of the older fields reach end of life
- Facility resilience
  - AEMO continues to monitor facility production and pipeline capacities, but notes that the system resilience in the southern states is limited due to reliance on gas from storage and transportation



# Summary and Outlook



The East Coast gas system is expected to remain sufficiently supplied over Winter 2026.

High storage inventories and flexible supply arrangements provide a strong starting position.

Forecast average demand continues to decline; however, winter peak risks remain concentrated in southern states.

LNG export levels and planned maintenance are broadly aligned with domestic supply needs.

System outcomes remain sensitive to weather variability, GPG demand, and operational disruptions, requiring ongoing monitoring.

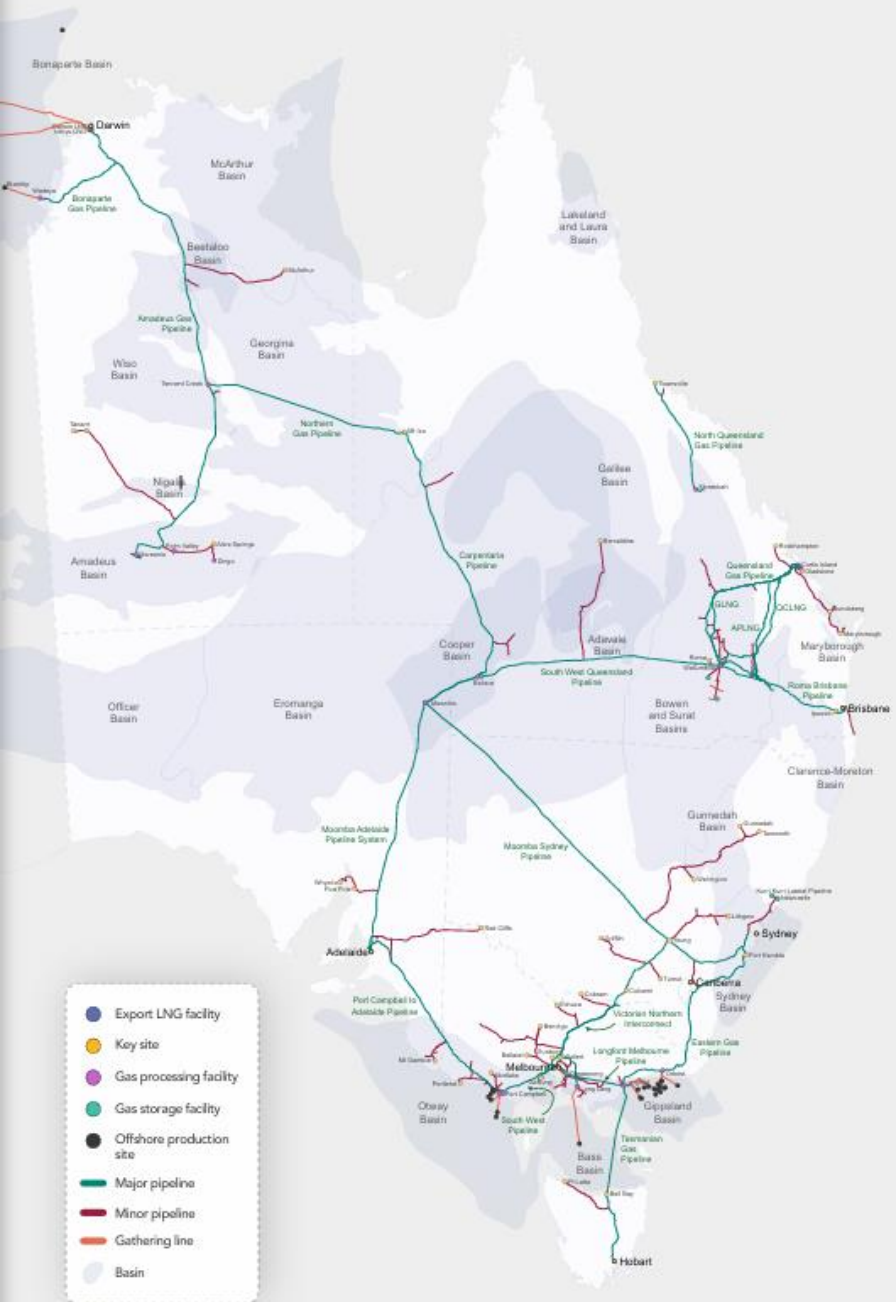
# 2026 Gas Statement of Opportunities



2026 GSOO



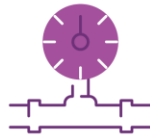
# Key messages



- **Shortfall risks** are projected from winter **2029** in southern Australia **under peak demand conditions**, and **additional investments will be needed from 2030** to close forecast supply gaps under most weather conditions.



- **Gas-powered generation (GPG)** is forecast to be a key contributor to firming renewable generation in the NEM. Volatility in the forecast for GPG, particularly as coal generators retire, will be a key influence on investment needs. **Greater investment in renewable generation and electrical storages may reduce the gas adequacy risk.**



- Various projects are being considered by industry to increase supply that are yet to receive firm commitments. **A combination of projects**, or greater investment in demand-side options, **will be required** to address southern gas supply risks in the medium term.

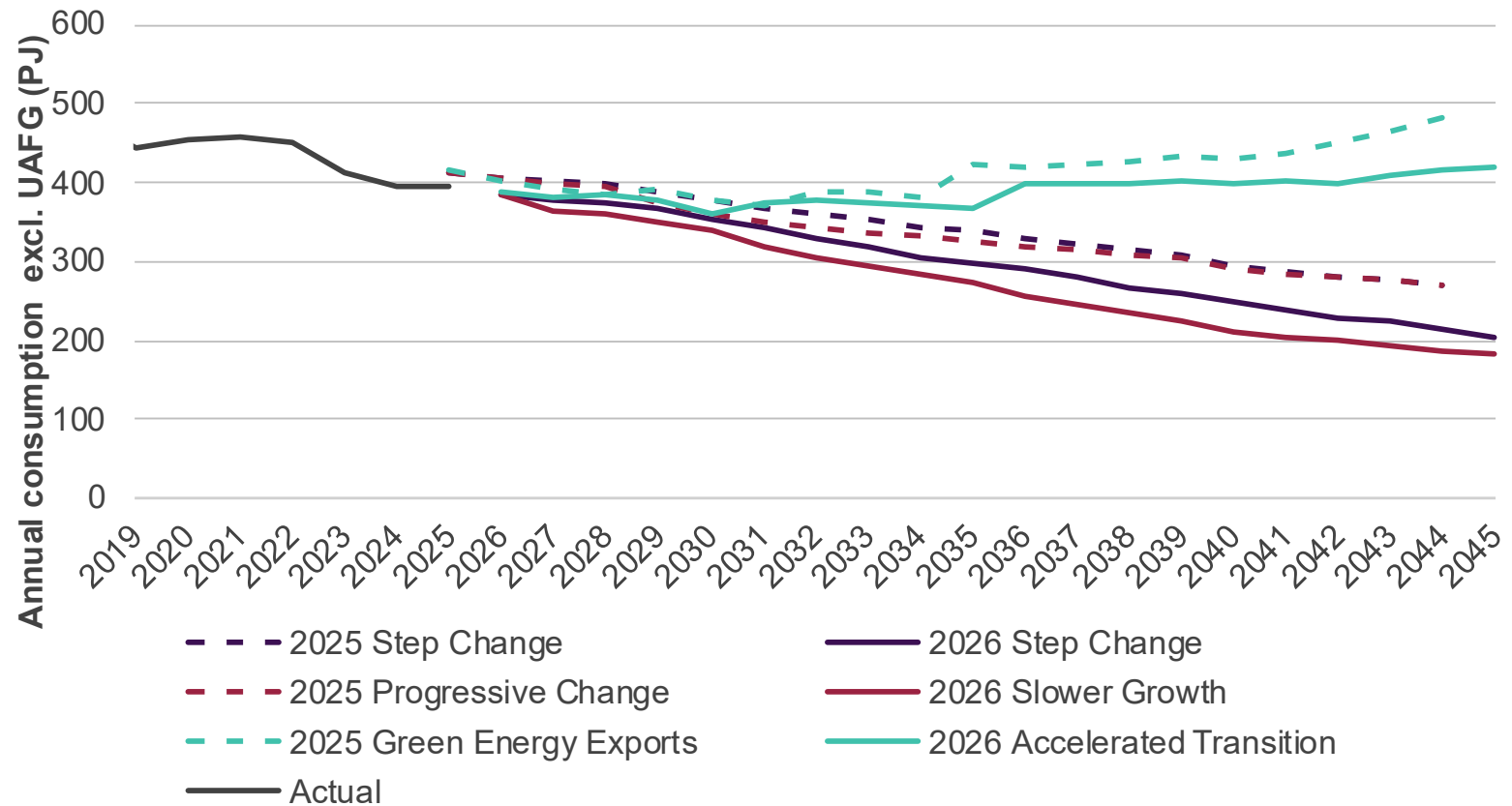


# Key insights on gas consumption

# Declining domestic consumption

- Downward trajectory of gas use continues the trend of recent years.
- Scenarios enable the examination of settings for economic growth, decarbonisation, and hydrogen-enabled green commodities.
- Residential, commercial, and industrial consumers are forecast to reduce gas use, primarily from electrification.

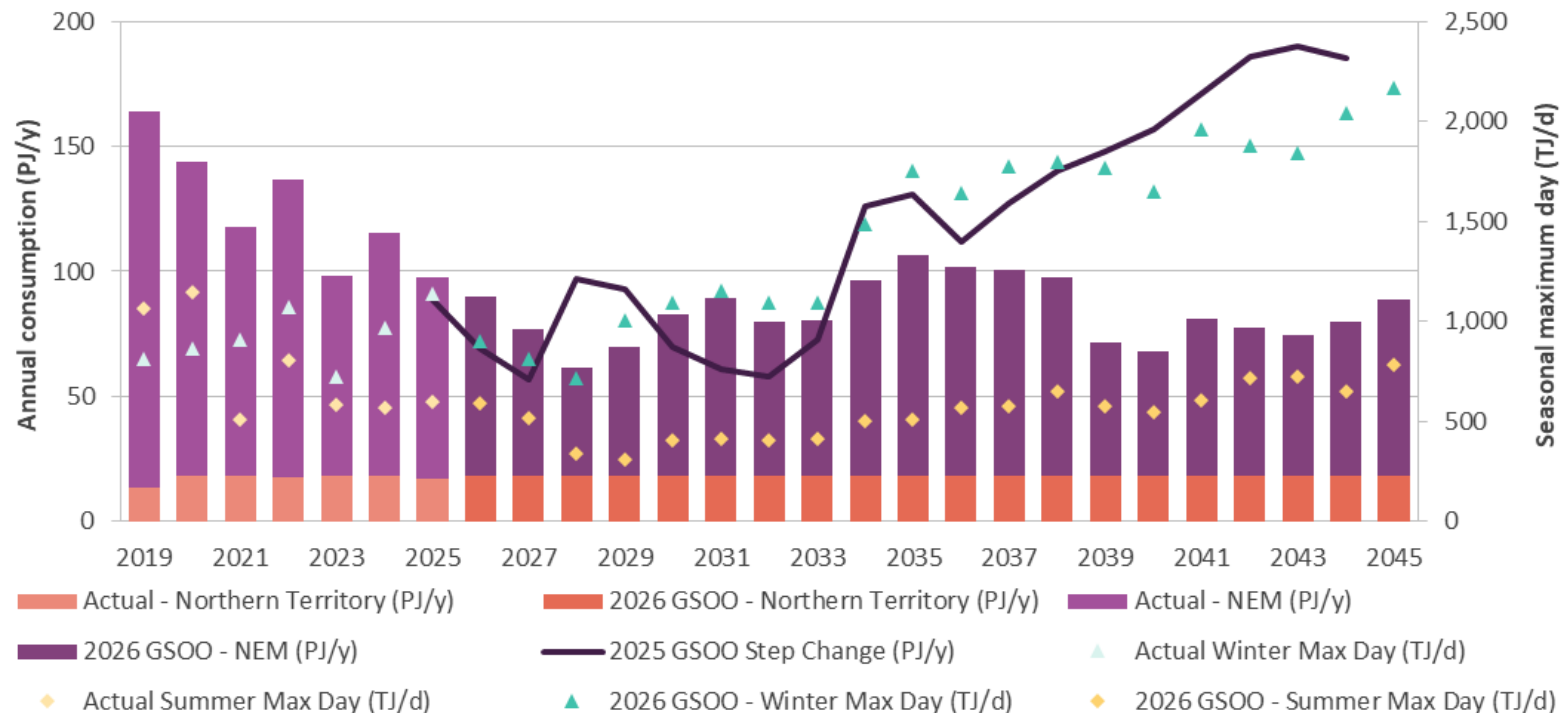
Domestic gas consumption (excluding GPG)



# Gas-powered generation demand expected to increasingly concentrate in winter peaks

- Near-term GPG consumption declines due to more batteries in the NEM, while extending Eraring delays the previously forecast GPG increase.
- Coal closures will increase annual consumption; long-term stability will depend on ongoing operation of coal, continued investment in NEM storages, and scale of renewable investment.
- Winter peak demand continues to grow; low renewable generation coupled with rising electrified heating load increases GPG firming needs.

Actual and forecast NEM and Northern Territory GPG annual consumption (PJ/y) and seasonal maximum daily demand (TJ/d), Step Change scenario, 2019-45



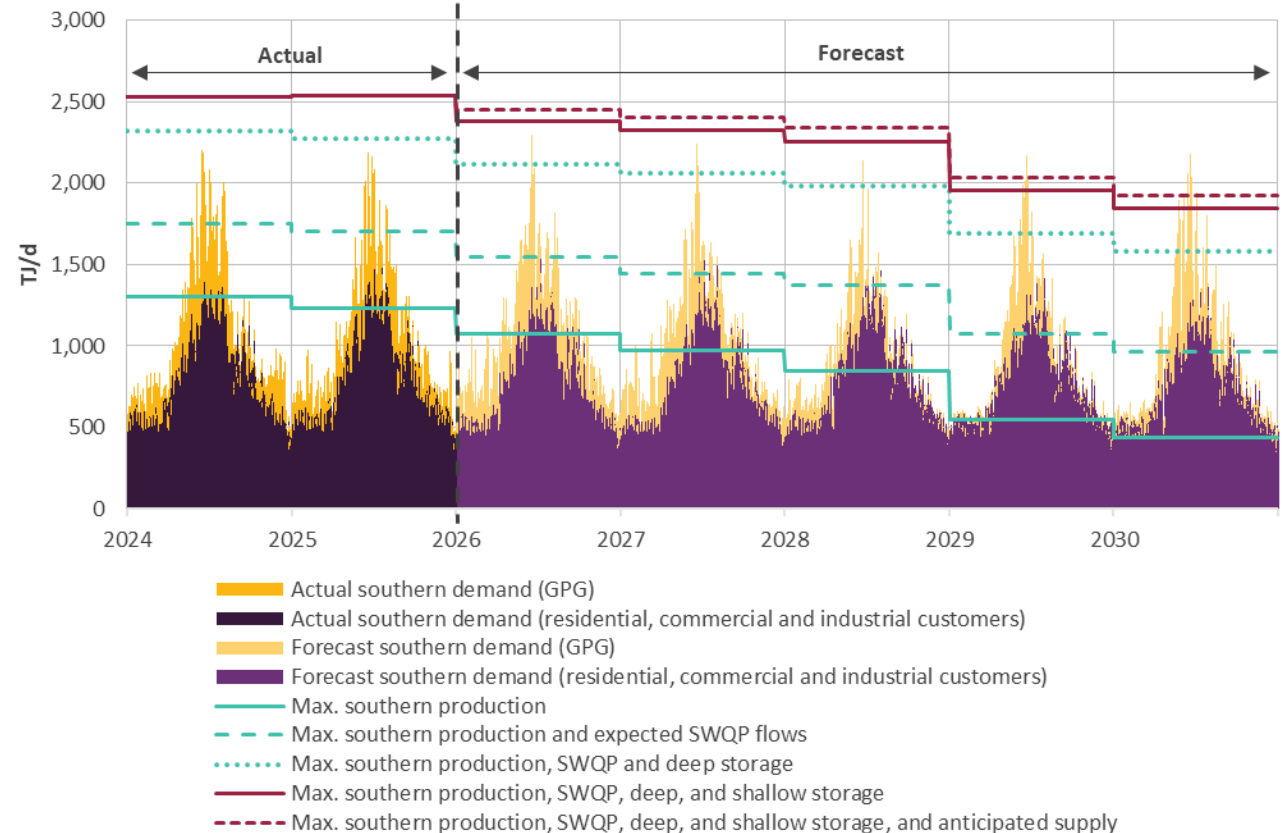


# Key insights on supply adequacy

# Southern regions exposed to shortfall risks during winter peak conditions from 2029

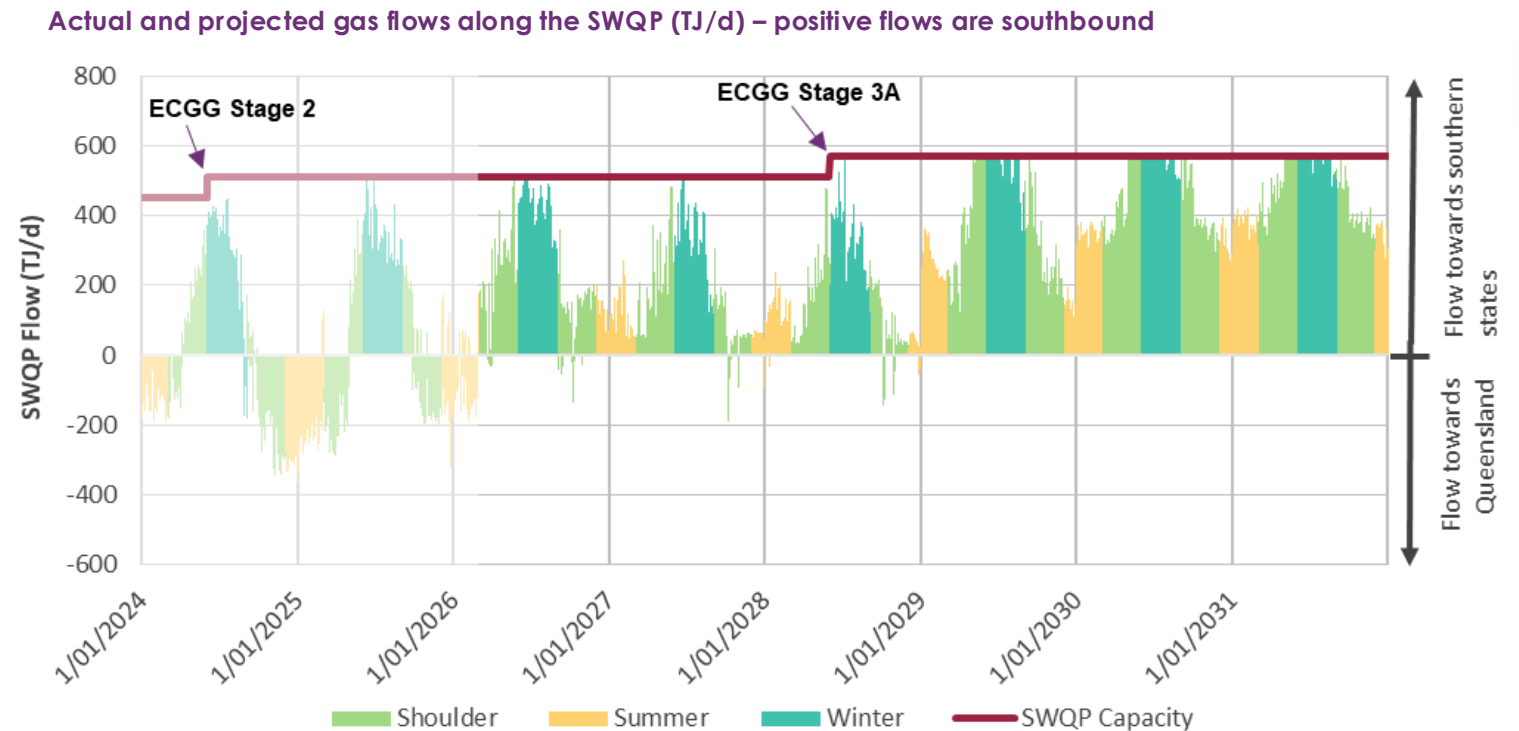
- Peak day shortfall risks now forecast from 2029, one year later than the 2025 GSOO:
  - Higher peak-day production capability and APA's pipeline expansions.
  - Higher expected Northern Territory production - more gas to flow south
  - Lower forecast residential, commercial and industrial gas demand.
  - More batteries and extension of Eraring Power Station lowers GPG.
- Forecast 2029 peak day demands are of similar magnitude to the historical actual maximum demands. **Peak-day shortfall risks are driven by declining southern production.**

Actual and forecast daily southern gas system adequacy using existing, committed and anticipated projects, (TJ/d)



# Newly committed expansions to north-to-south capacity increase flows to the south

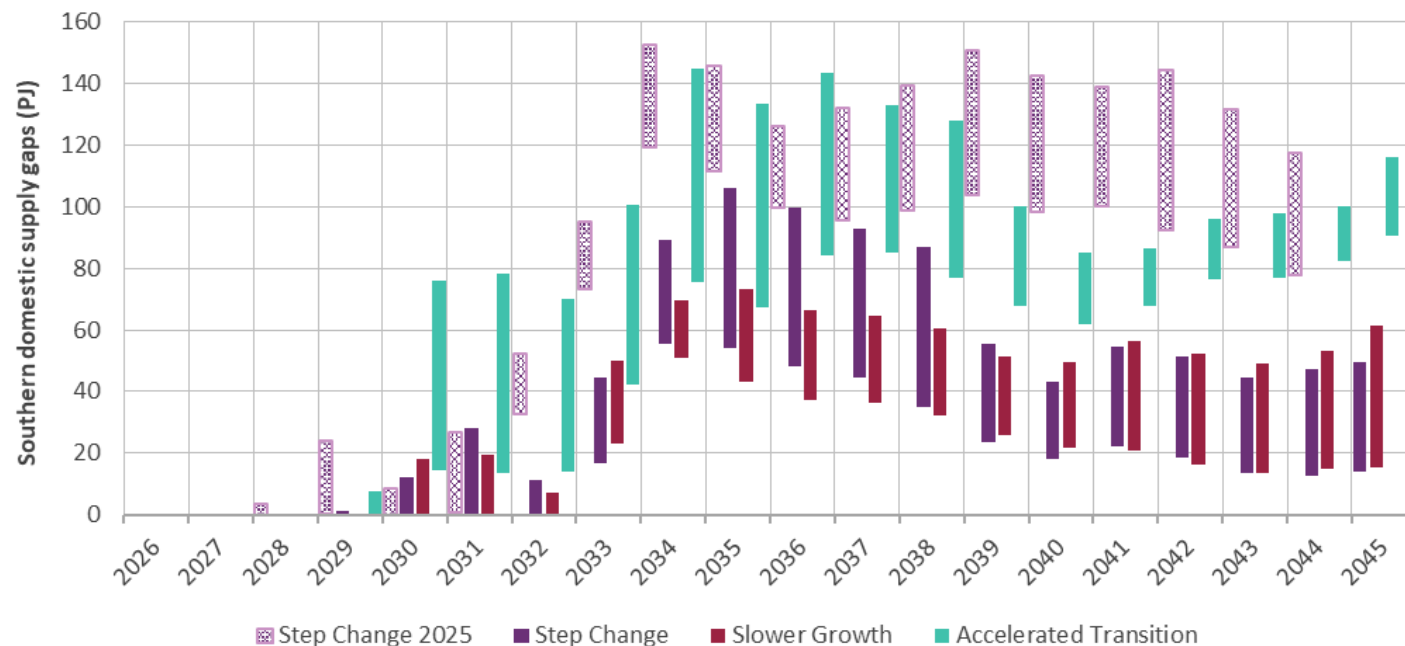
- APA's East Coast Gas Grid Stage 3A will increase north to south transportation capacity from winter 2028 by 58 TJ/d.
- Northern supply forecast to be increasingly constrained from 2029 without further investment.
- This limits the ability of the north to support southern peak demand.



# Southern structural supply gaps projected under most weather conditions from 2030

- Without further investment, structural supply gaps are forecast from 2030 onwards under most weather conditions.
- Long term, smaller supply gaps are now forecast than the 2025 GSOO:
  - More production from Longford at the end of plant life,
  - Lower consumption forecast for all sectors.

Range of annual supply gaps in southern regions based on existing, committed, and anticipated developments, across different weather patterns, 2026-45 (PJ)

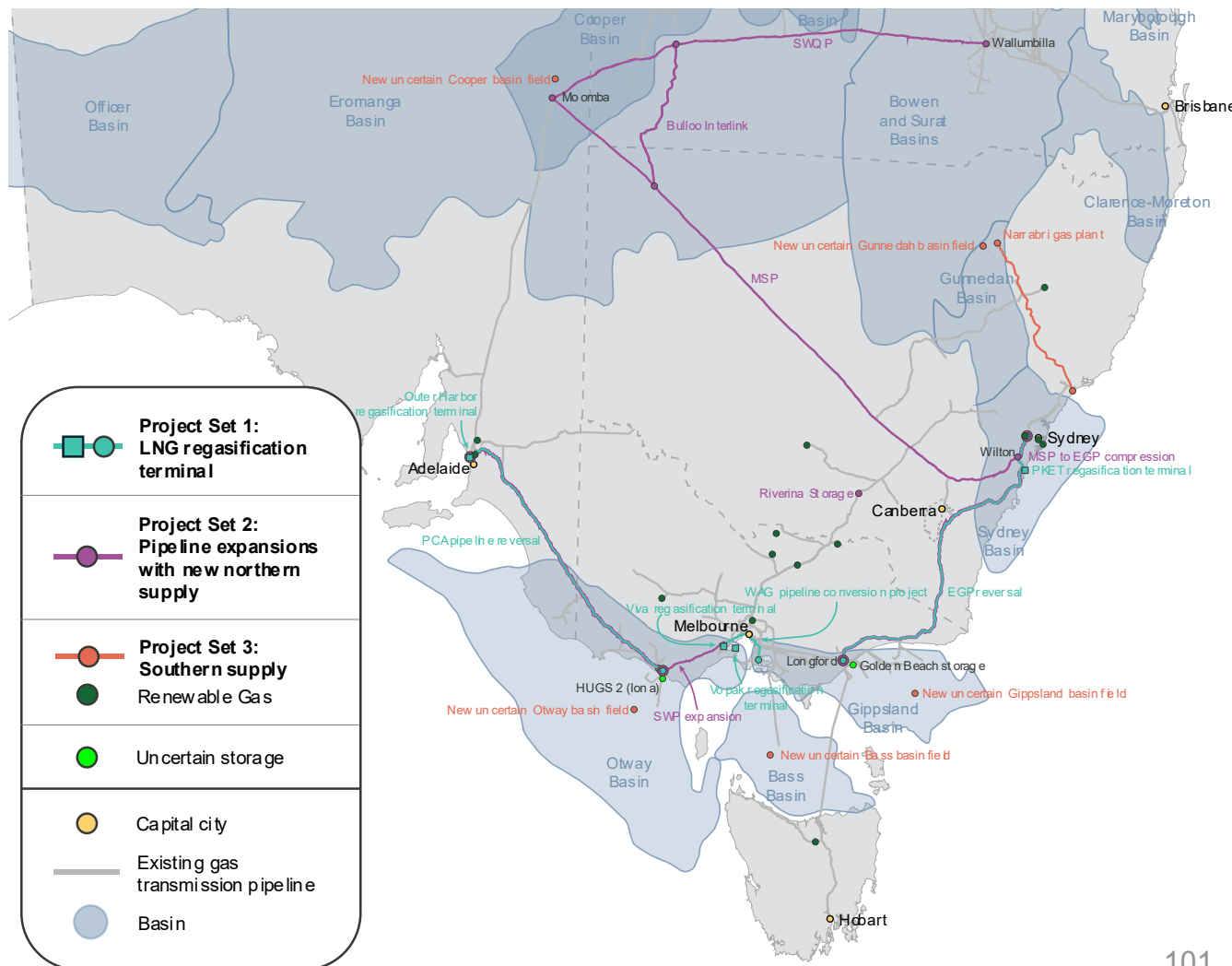




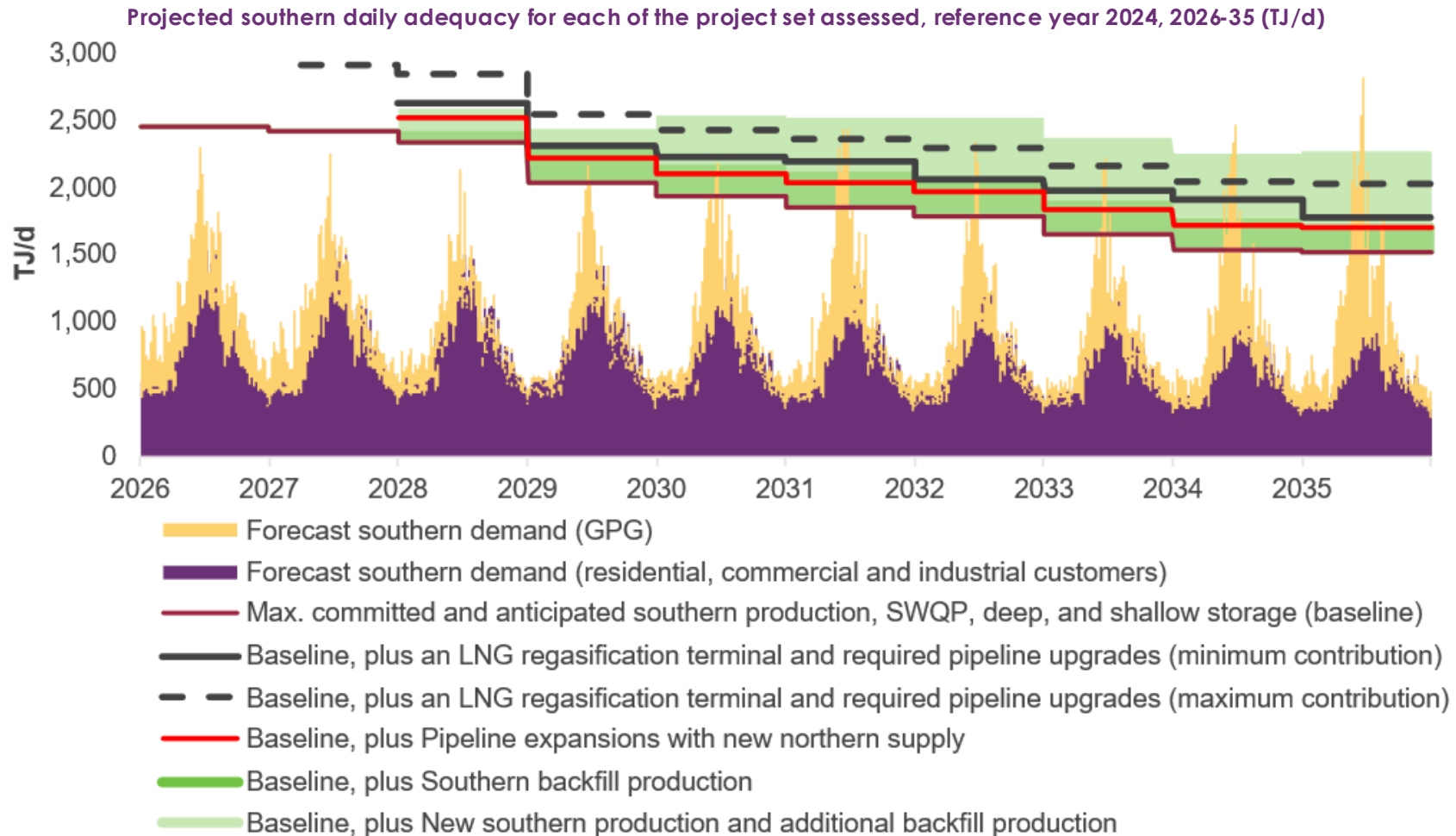
# Impacts of proposed projects

# The 2026 GSOO explores the impacts of projects proposed by the gas industry

- The 2026 GSOO explores the impacts of uncertain projects proposed by the gas industry for development in next 5 years:
  - An LNG regasification terminal.
  - Pipeline expansions with new northern supply.
  - Southern supply developments
- The project sets explored in the 2026 GSOO remain broadly aligned with the 2025 GSOO and the starting points used in the Draft 2026 ISP.



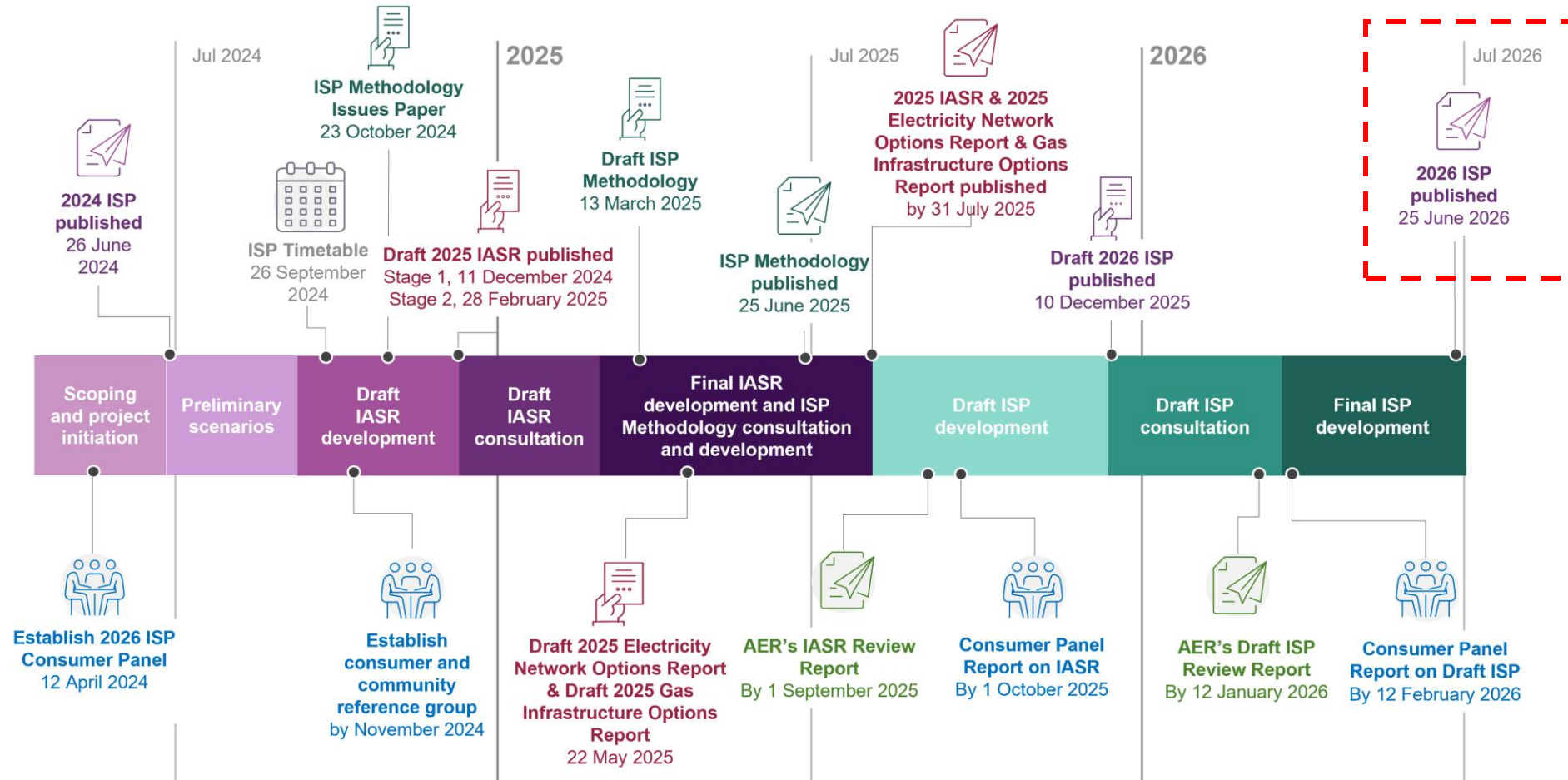
# A combination of projects is required to address peak-day risks





# 2026 ISP

# 2026 ISP to be published in June 2026



Scan for more info on the 2026 ISP.

# 2026 Victorian Gas Planning Report Update

Key findings



# Agenda

1. Historical Victorian gas usage
2. Victorian consumption and supply forecasts
3. South-west pipeline expansion options
4. Locational GPG supportability heat maps

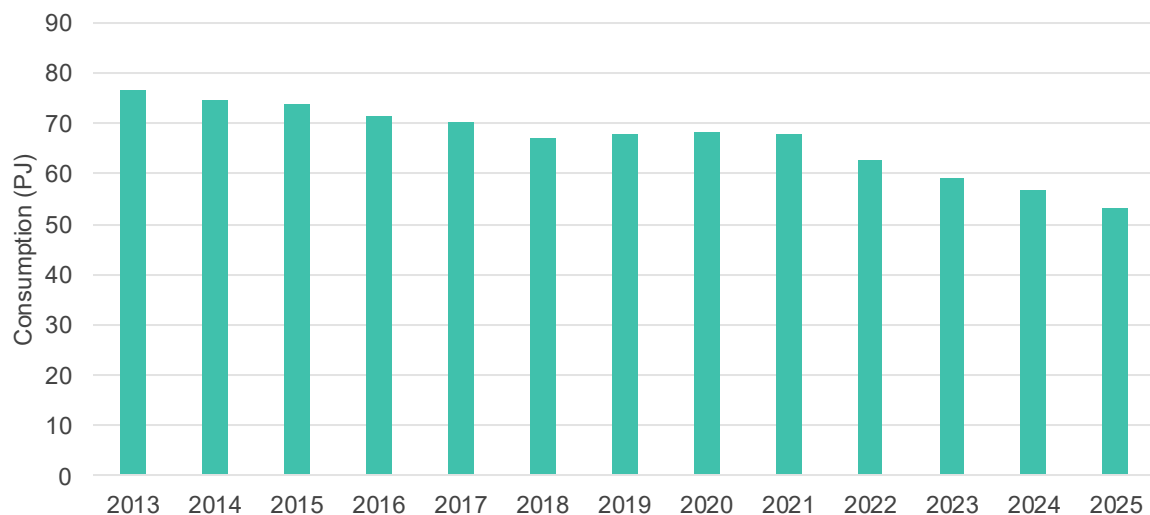




# Historical Victorian gas consumption

# Victorian historical annual Tariff D and V consumption decline

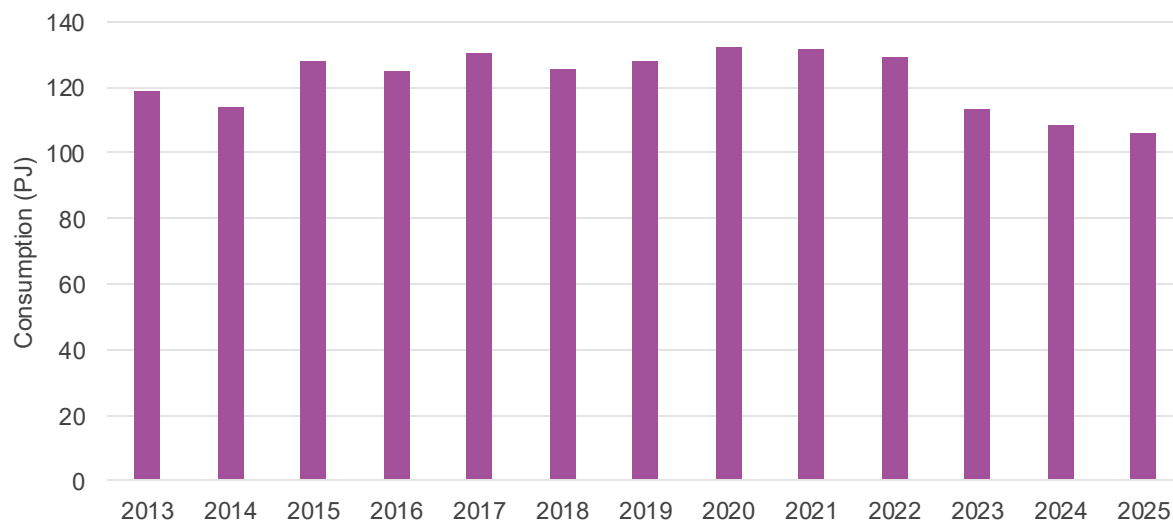
Historical annual Tariff D consumption (PJ)



## Victorian historical Tariff D consumption

- Reduction of 2025 actual of over 6% from 2024 actual consumption and over 23% compared to 2021 actual.
- Decline can be partially attributed to the continuing decline in Victorian manufacturing.

Historical annual Tariff V consumption (PJ)



## Victorian historical Tariff V consumption

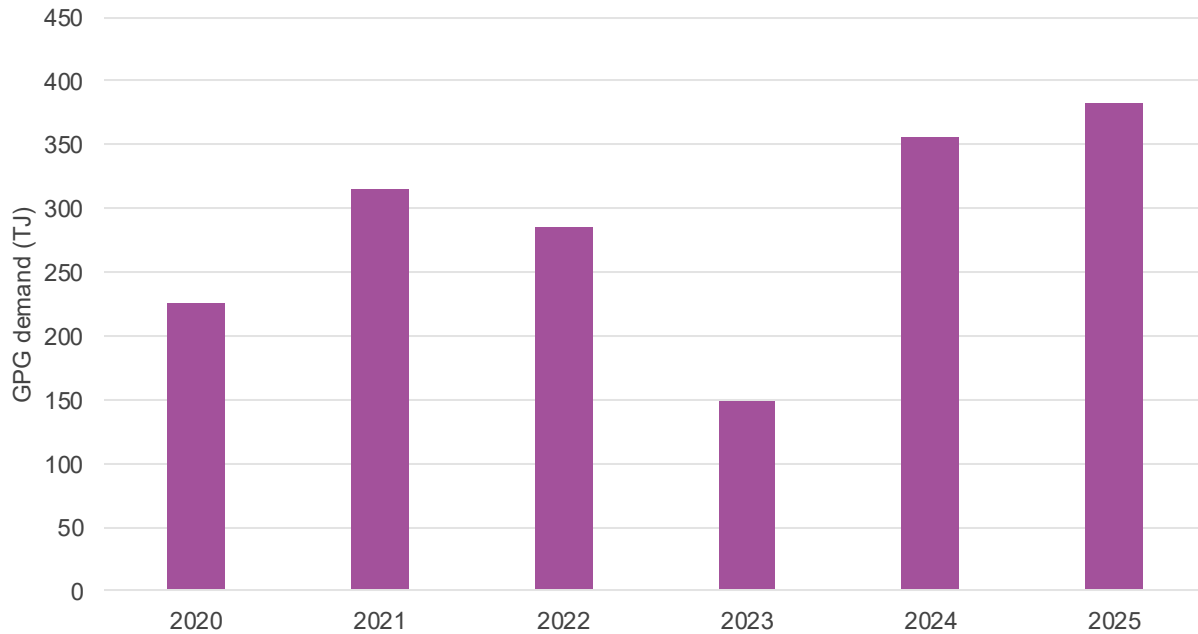
- Further declining trend of actual Victorian Tariff V consumption
- Winter 2025 was overall cooler than 2024 and annual Tariff V consumption experienced a slight decline of over 2%.
- Residential load electrifications and declining of small commercial customer new connections (Tariff V) and increasing disconnections.

# Victorian historical winter peak GPG demand increasing trend

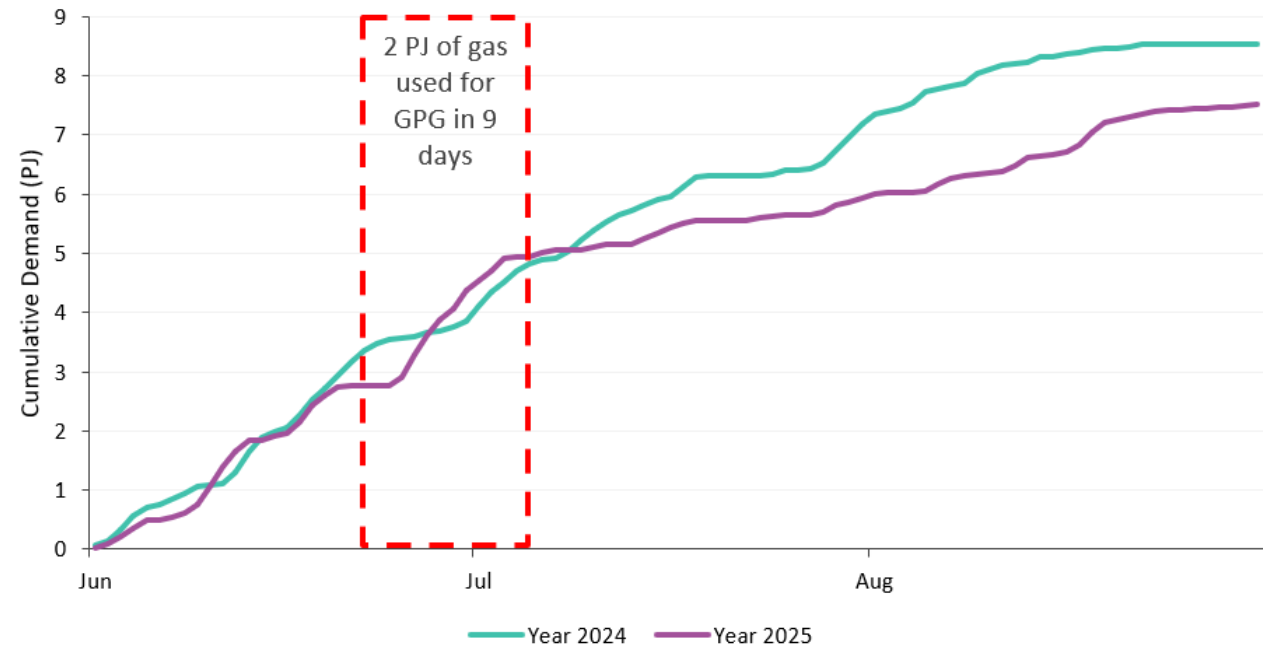


- Over the past decade, the peak day GPG in Victoria during winter has been increasing.
- On June 26, 2025, Victoria set a new winter record for daily GPG demand of 382 TJ (356 TJ during winter 2024)
- Approximately 2 PJ of Victorian GPG demand in 9 days during late June 2025

Victorian actual peak winter GPG demand (TJ/d)



Victorian winter cumulative GPG demand (PJ)





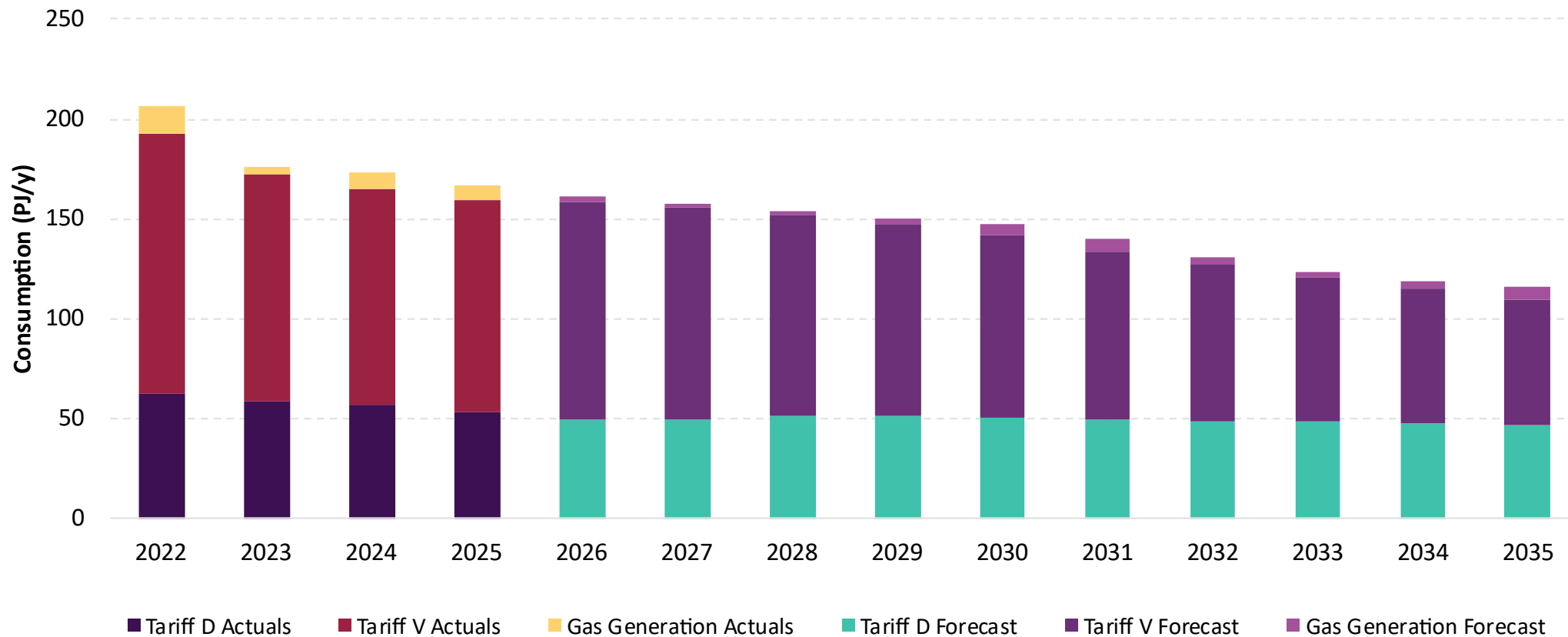
# Victoria forecasts – system demand & GPG

# Victoria annual consumption forecast to decline



## Annual consumption actual and forecast (2022-35)

- Forecast annual system consumption declines by 10.5% from 2026 to 2030.
- Tariff D forecast remains flat to 2030.
- Victorian gas forecast decline is driven by Tariff V forecast.



# Victoria winter GPG peak day demand forecast to increase during winter 2029

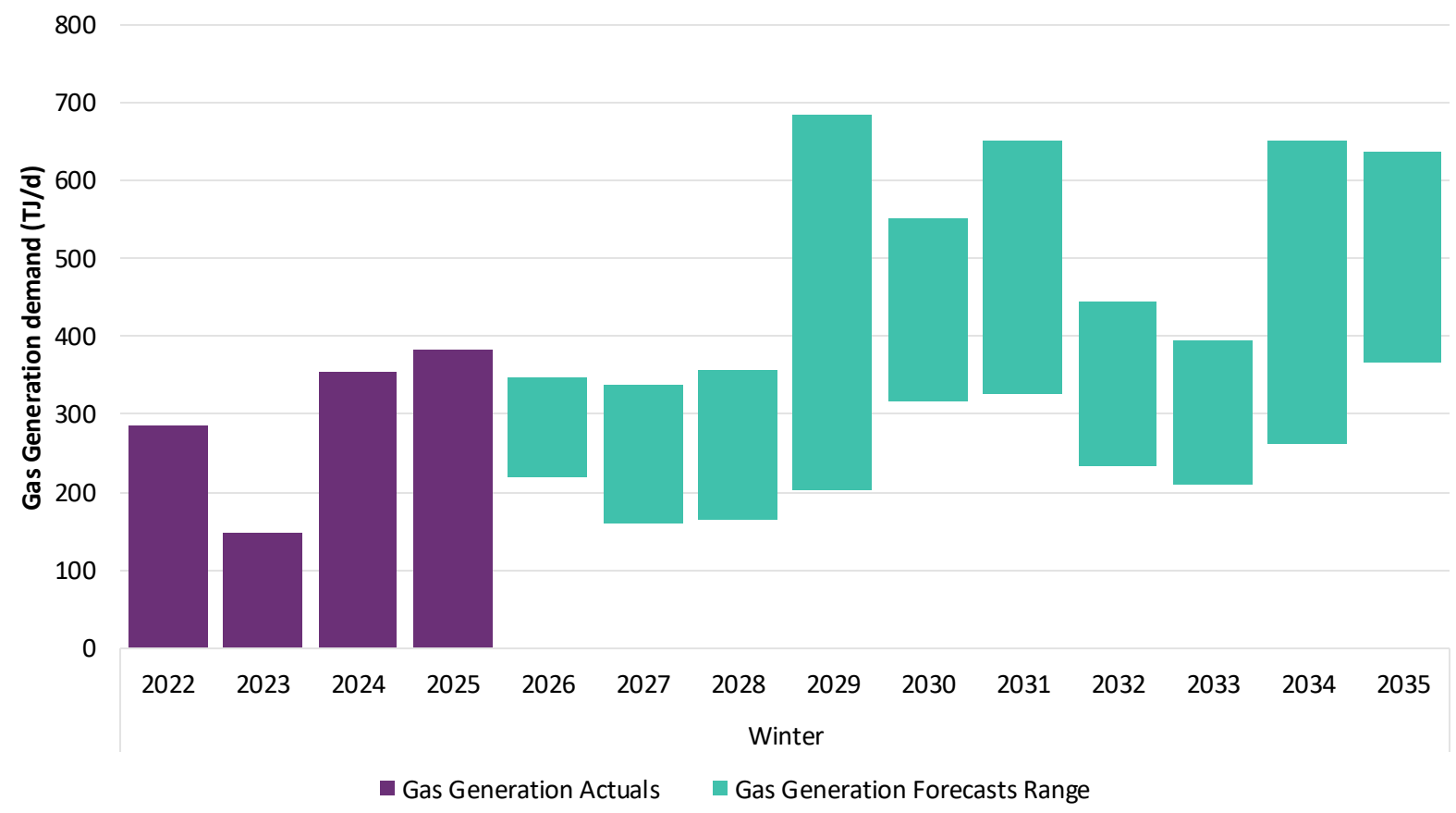
Public



## GPG peak day demand forecast

- Winter peak day GPG forecast to remain similar to last couple of years actual up to 2028 and increase significantly from 2029
  - Driven by Yallourn and Eraring planned closure dates
  - Energy storage systems forecast to fill some of the demand in low VRE periods
- Summer peak remains stable, similar to last few years actual peak demand
  - Minor increases from 2028 to 2030

Victoria winter peak day GPG forecast



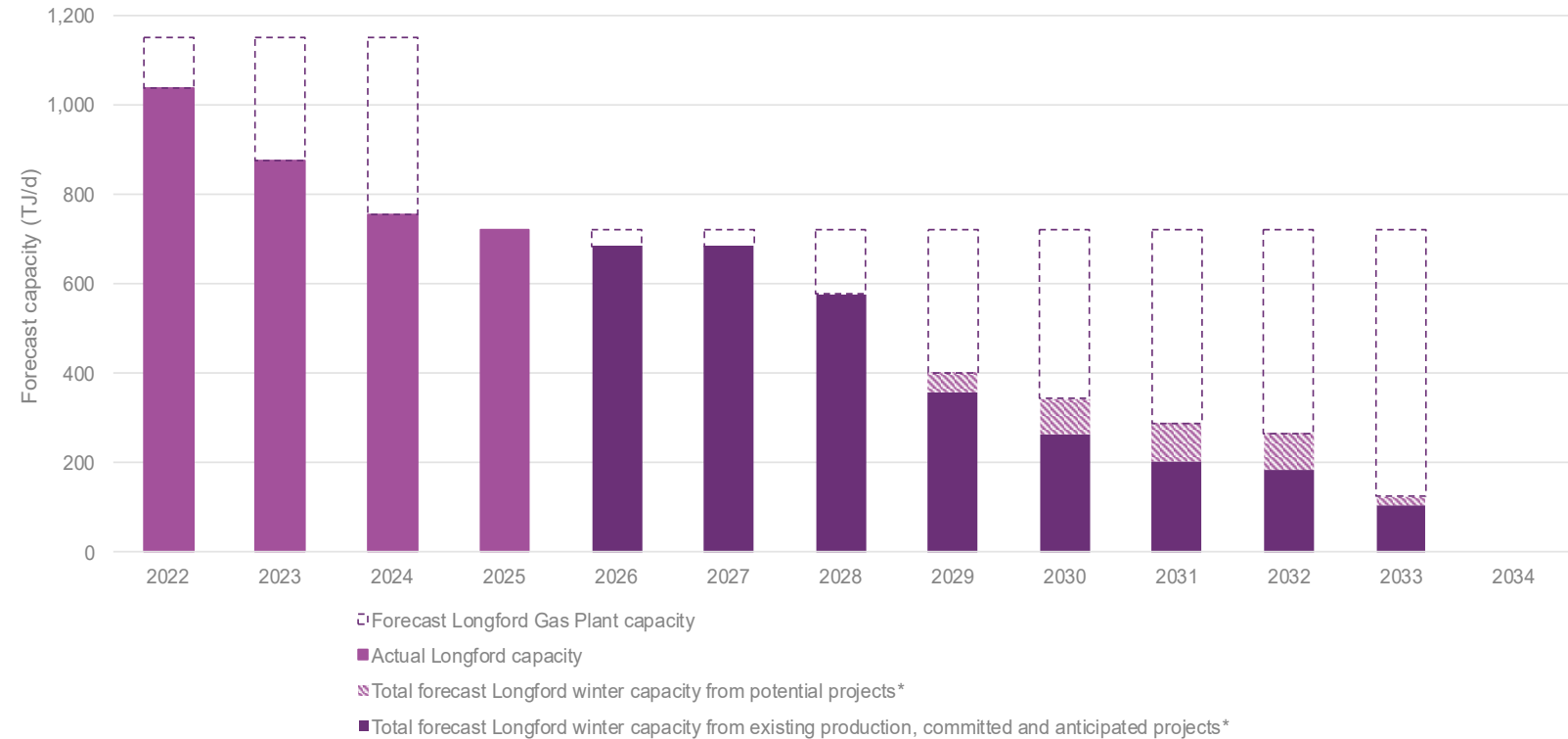
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# Victoria supply outlook

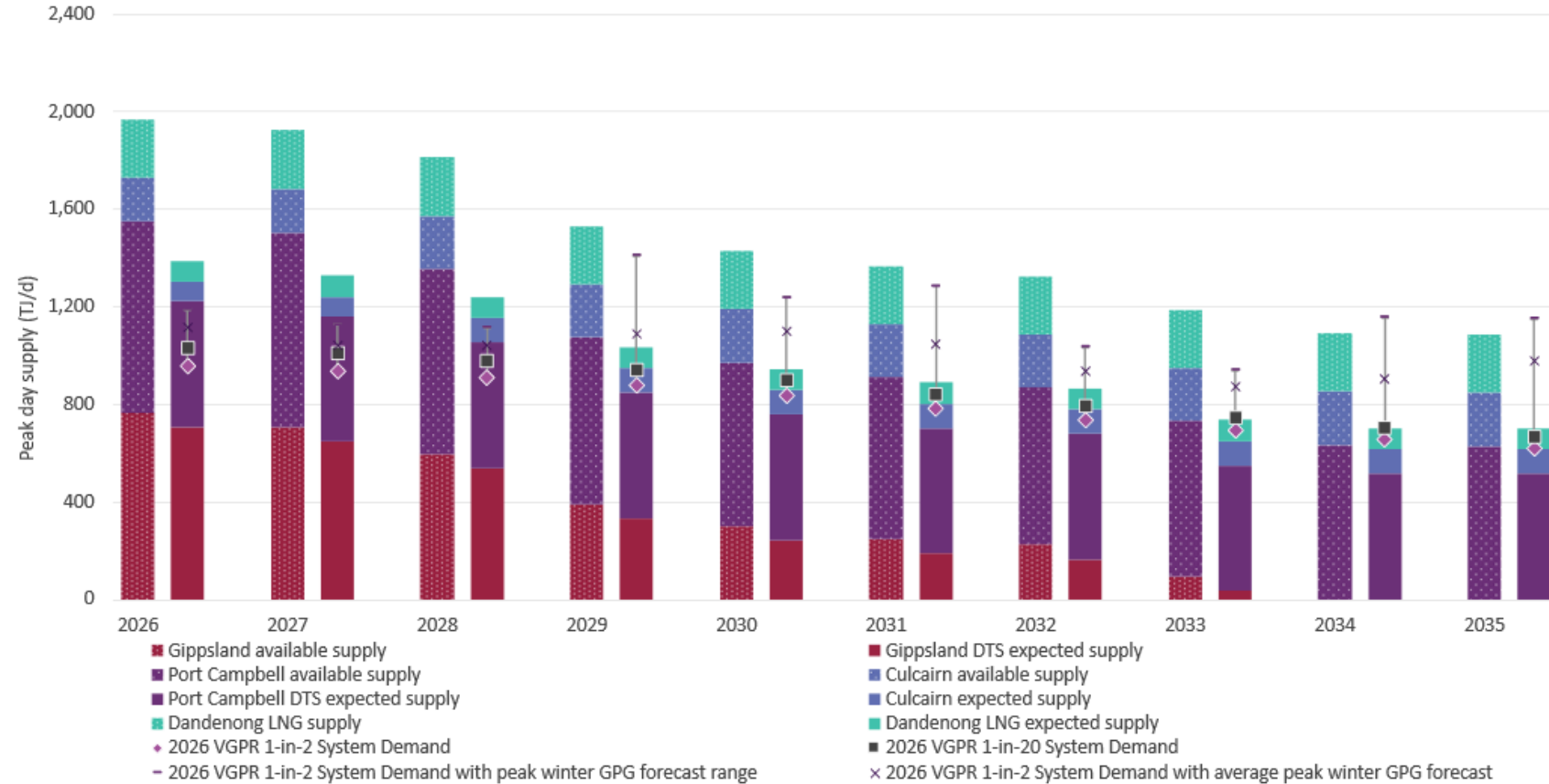
# Longford production outlook

- Gas Plant 3 is now forecasted to remain operational along with Gas Plant 2 until the planned end of Longford gas production in 2033 to improve reliability
- Slight increase gas plant capacity from 700 TJ/d to 720 TJ/d
- Reprofileing of some production numbers from later years moved into earlier years



# Victorian supply outlook

- The outlook for Victorian peak day gas supply adequacy has improved due to lower forecast system demand.
- Insufficient Victorian production to meet combined system and GPG demand on peak days under some conditions starting from winter 2029 and significantly worsening during winter 2030.

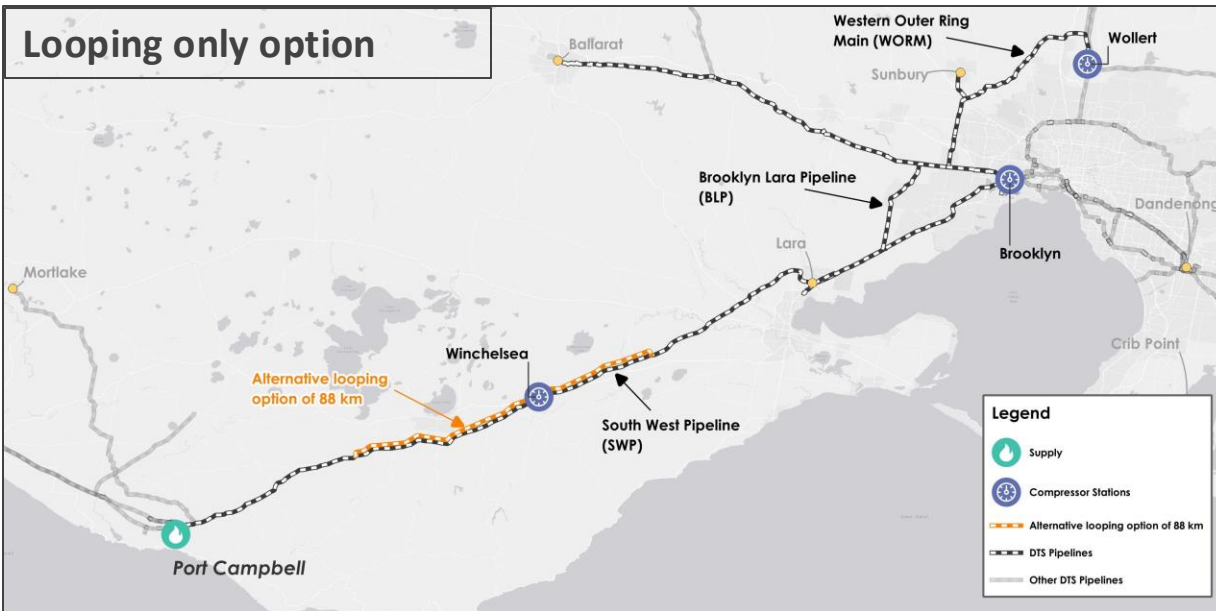
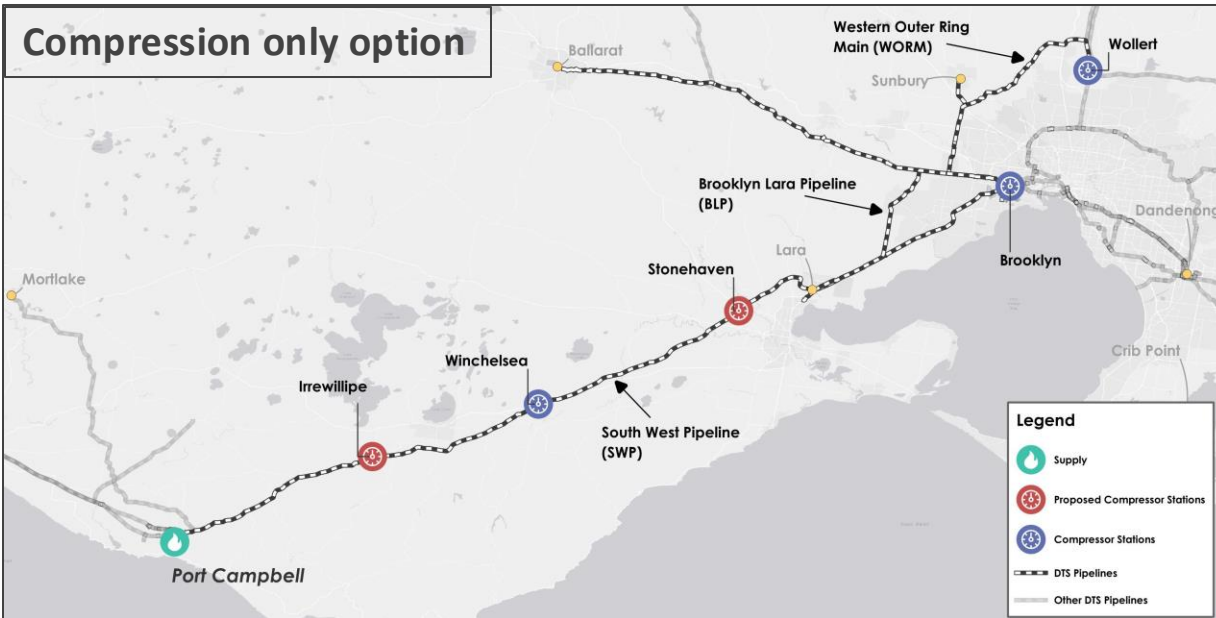




# South-West Pipeline expansion options

# South-west pipeline (SWP) expansion options

Public



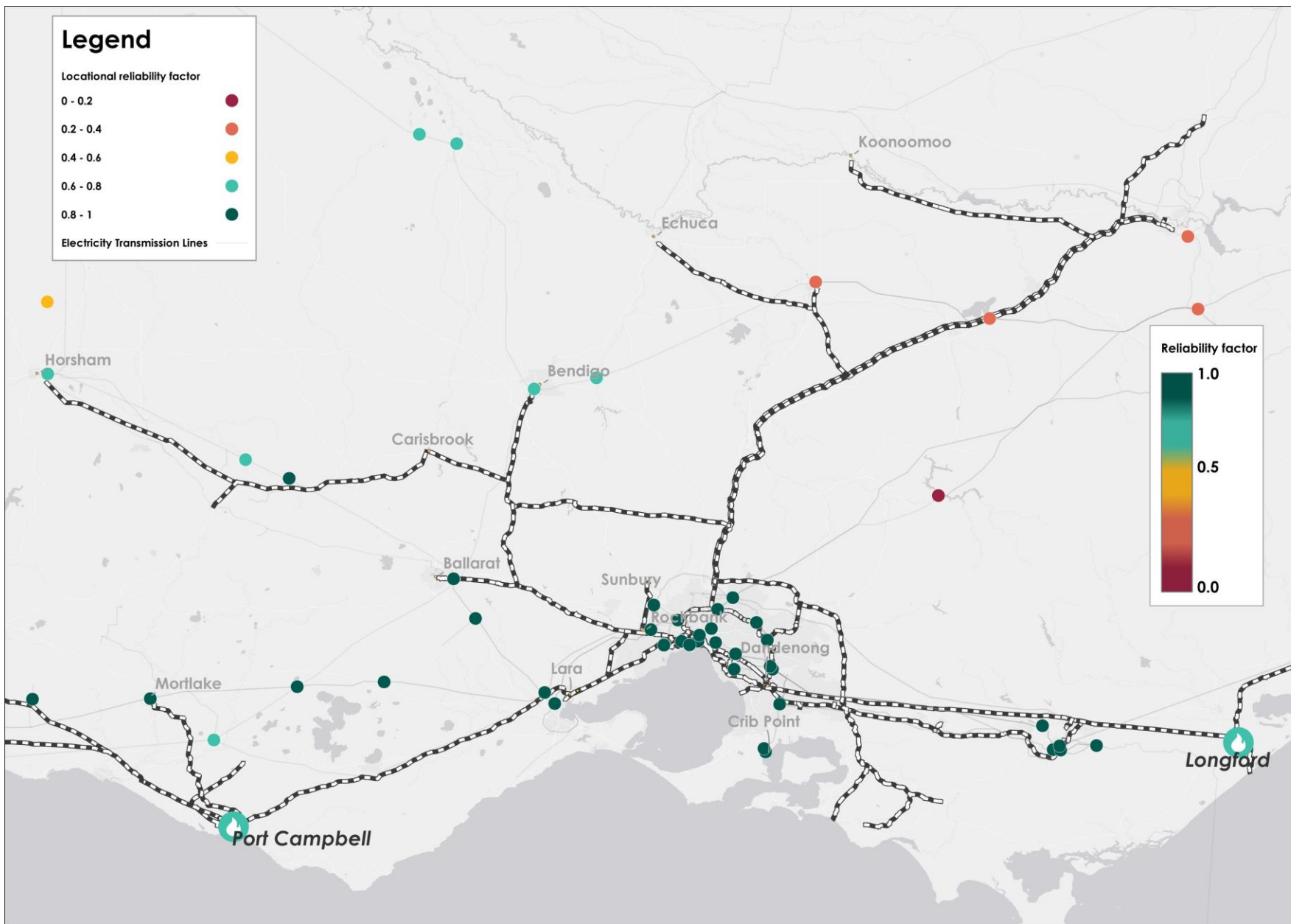
- APA proposed two initial options to expand the SWP capacity to 615 TJ/d under rule 80 submitted to AER.
  - **Compression only option:** 2 greenfield compressor stations at Irrewillipe and Stonehaven
  - **Looping only option:** duplicating (looping) of 88 km of the SWP
- AEMO's analysis show capacity expansion by **compression only option** has higher an operational and gas supply risks compared to **looping only option**
  - SWP capacity is modelled to reduce to 515 TJ/d from 615 TJ/d if Stonehaven CS is not operating.
- **Looping only option** has higher project costs and delivery timeline risks
  - Regulatory approvals and land access risks
  - APA has stated that this option cannot be completed by 2029
- Expected AER draft decision by end of May and final decision by end of July
- APA and AEMO are continuing to collaborate to identify best possible next steps post compression option implementation

Public

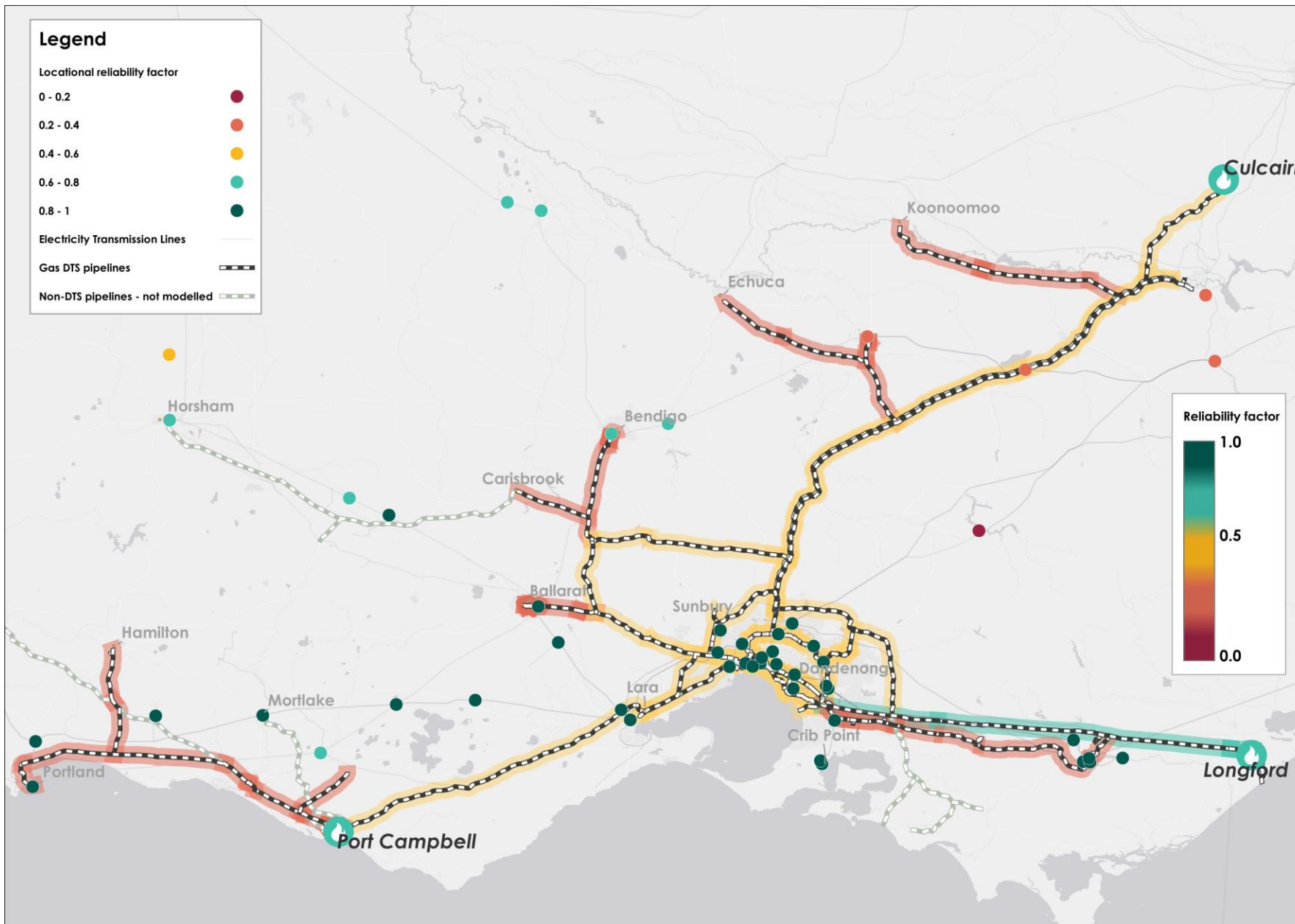


# Locational GPG supportability

# Locational reliability factors for Victoria – with Vic Gas pipelines



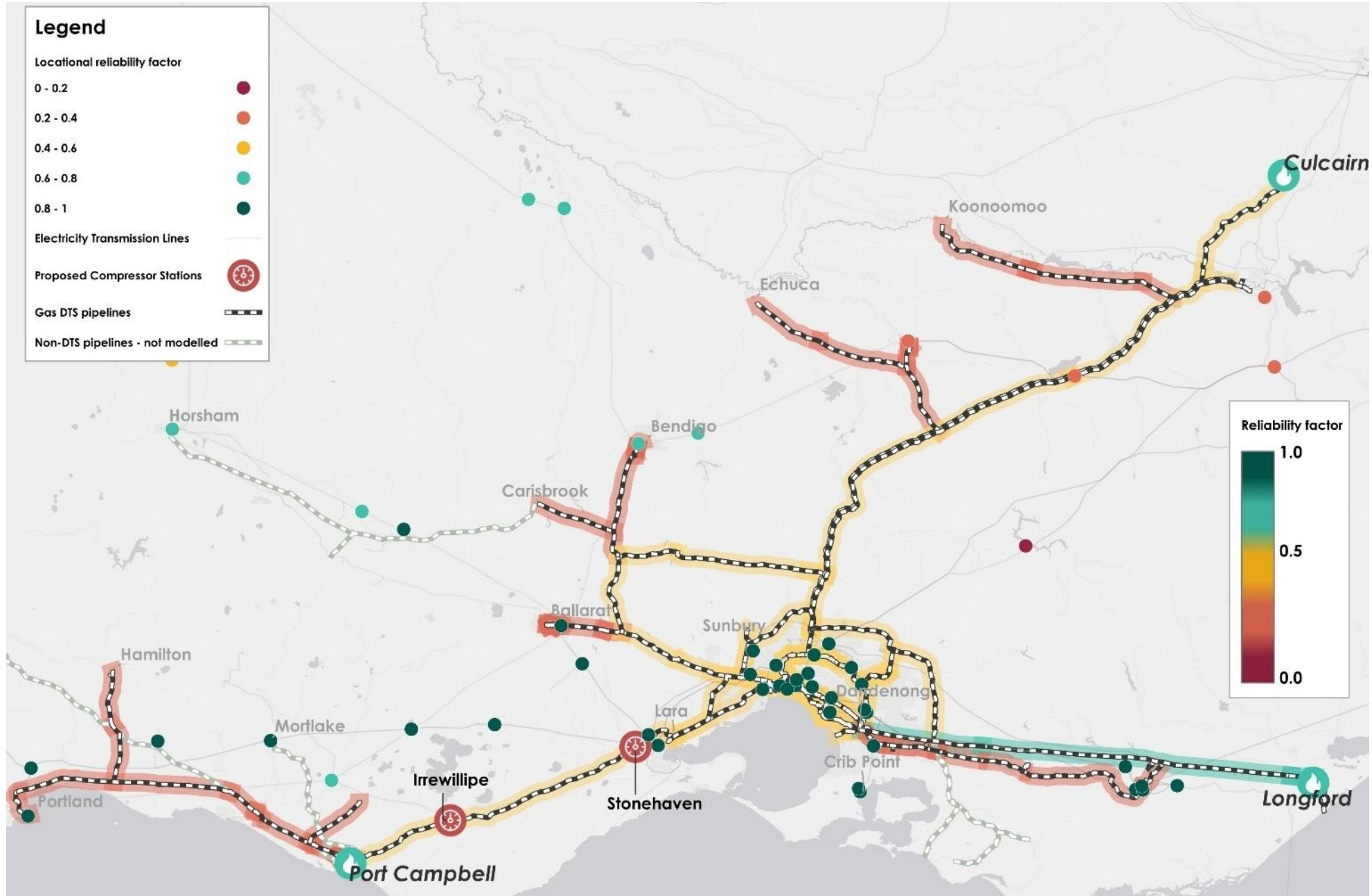
# Locational GPG supportability for Victoria – current system



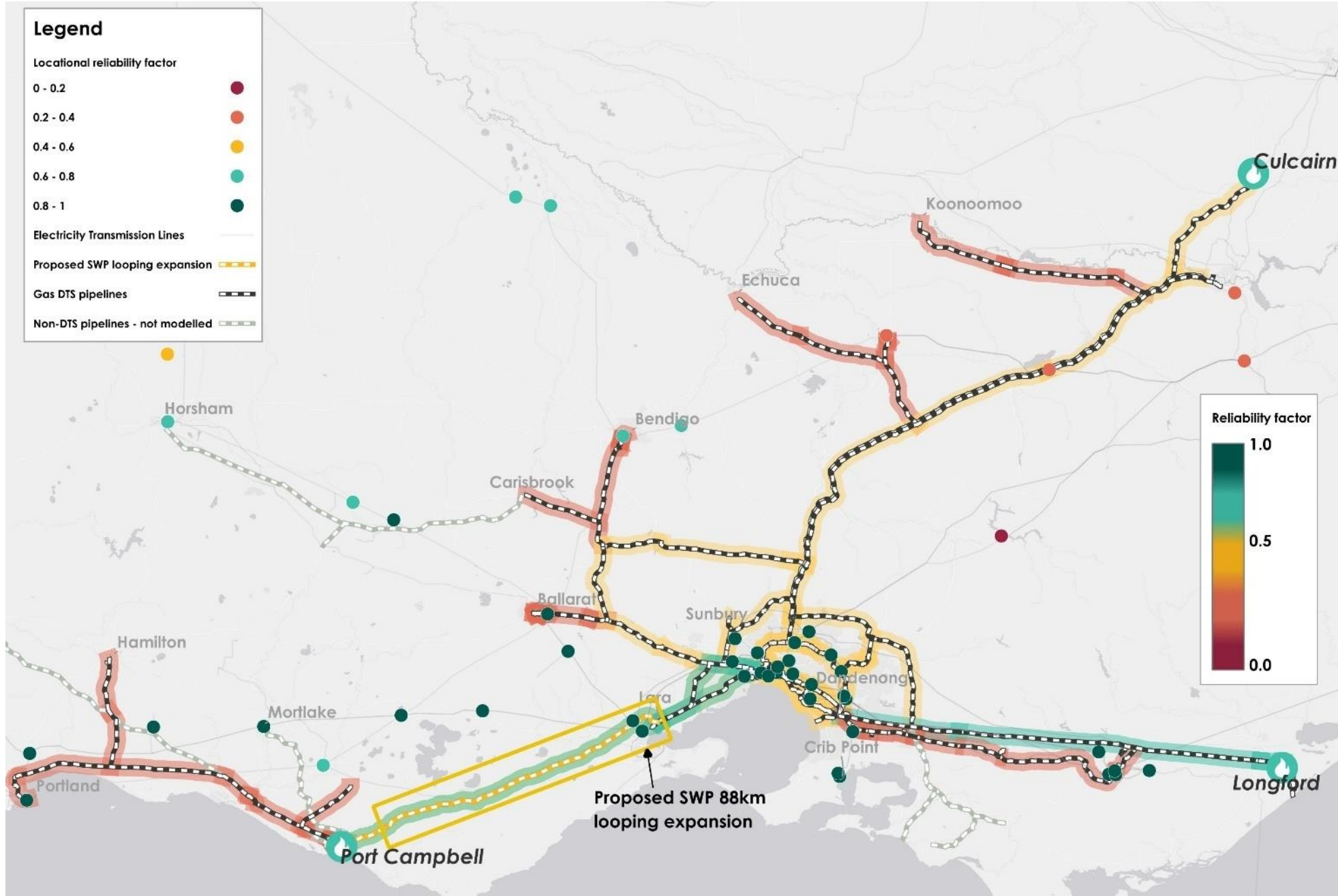
# Locational GPG supportability with potential expansion scenarios



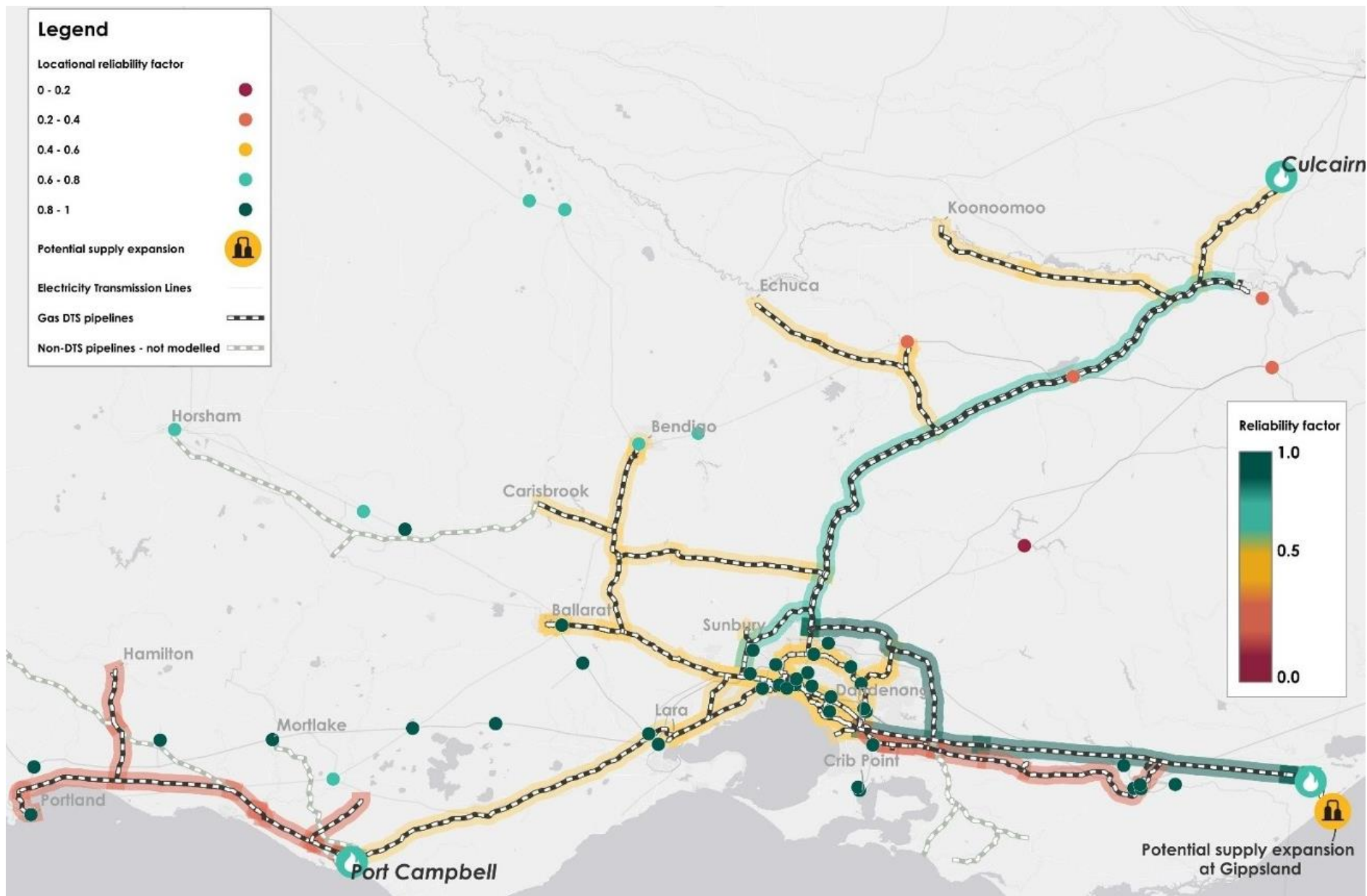
# Locational GPG supportability for Victoria – SWP Expansion options



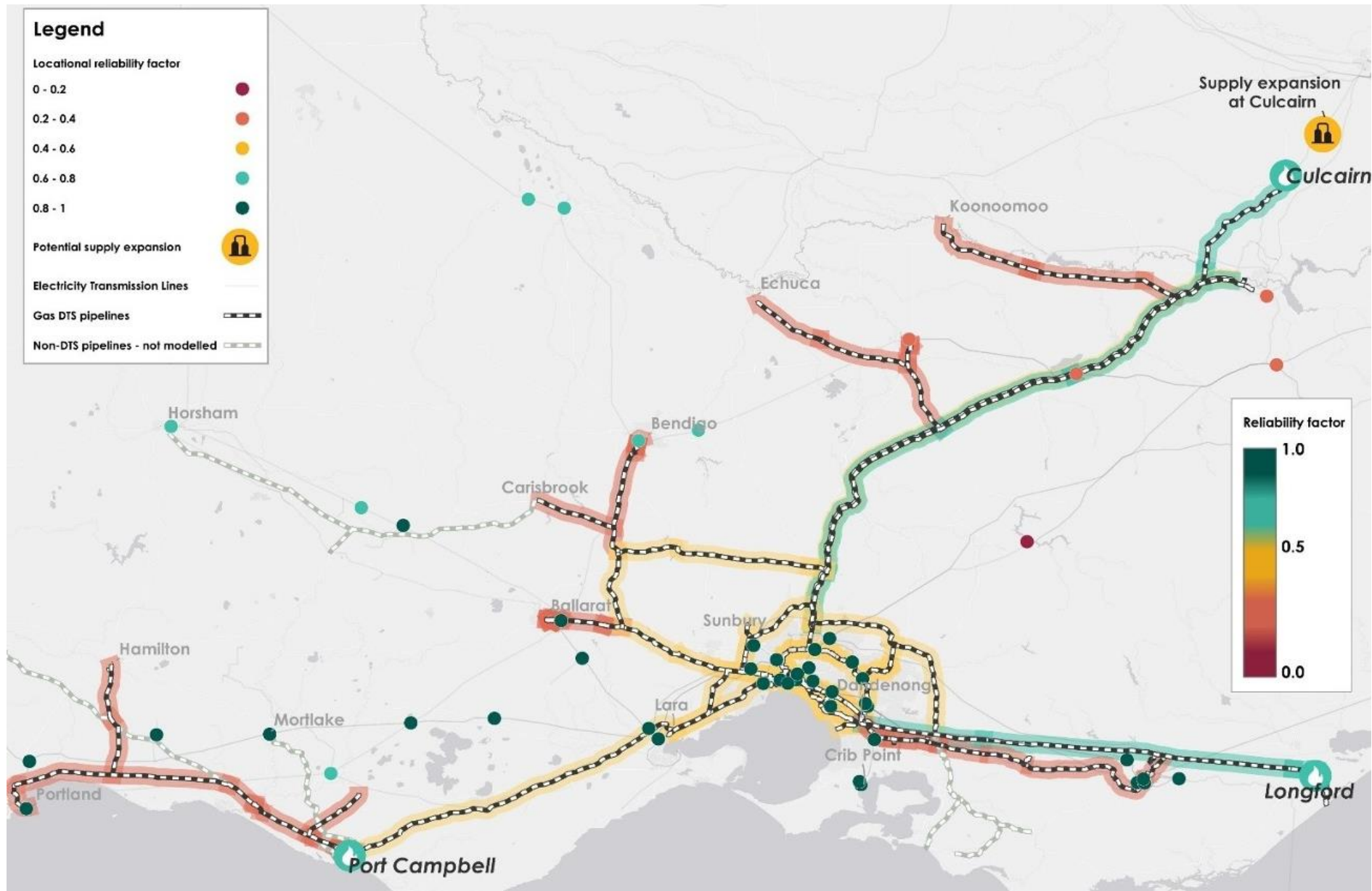
# Locational GPG supportability for Victoria – SWP Expansion options



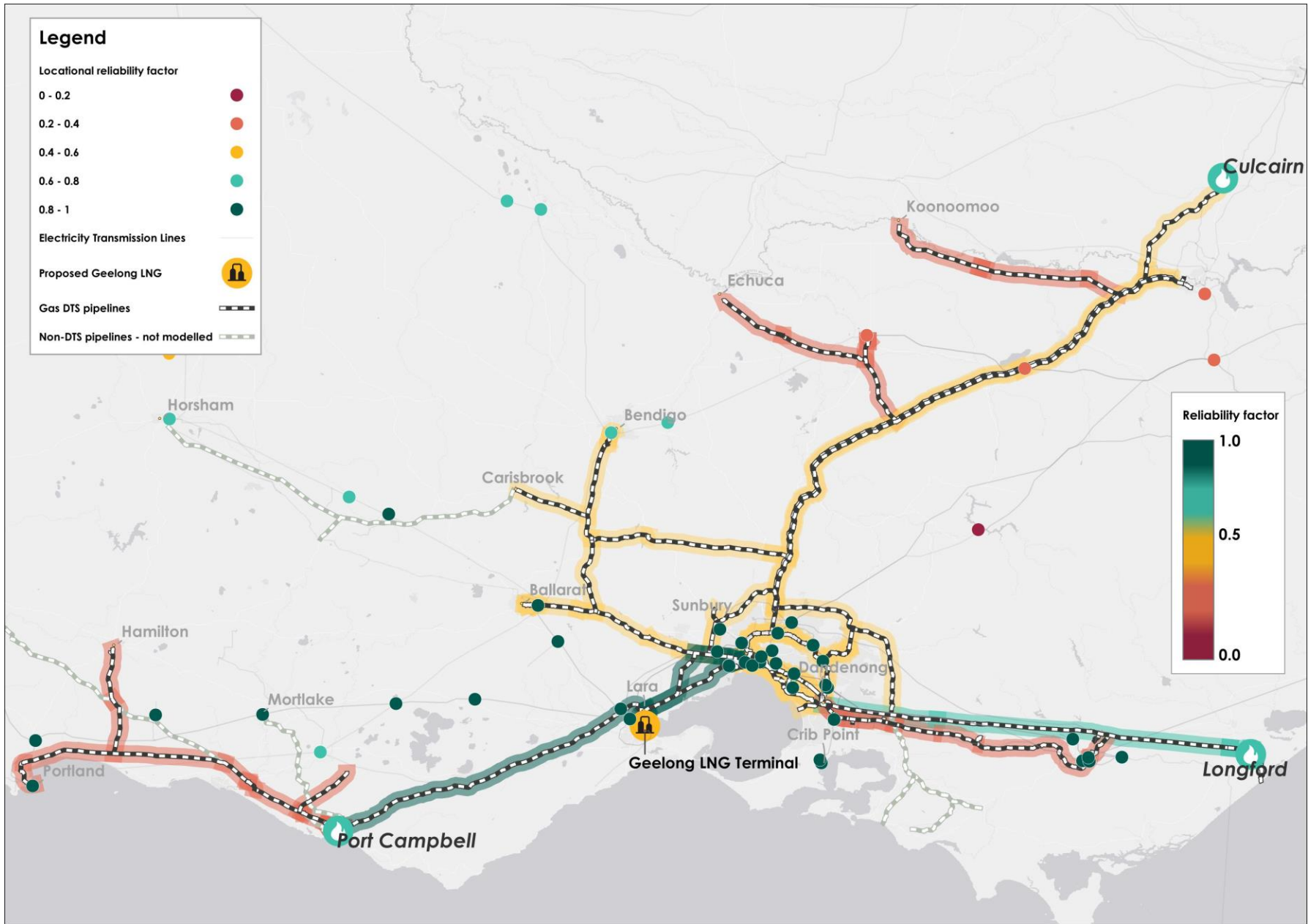
# Locational GPG supportability for Victoria – potential increased Gippsland supply (Golden Beach energy storage, Port Kembla regasification)



# Locational GPG supportability for Victoria – potential increased Culcairn supply



# Locational GPG supportability for Victoria – potential Geelong regasification terminal





For more information visit  
[aemo.com.au](https://aemo.com.au)