17 April 2025

Mr Andrew Lewis
Chief Executive (Acting),
Australian Energy Market Commission
Level 15, 60 Castlereagh Street,
Sydney NSW 2000
Submitted online

National Gas Amendment (ECGS reliability standard and associated settings) Rule GRC0076

Dear Mr Lewis

Energy Networks Australia (ENA) welcomes and appreciates the opportunity to provide feedback on AEMC's *National Gas Amendment (ECGS reliability standard and associated settings) Rule* Discussion Paper.

ENA represents Australia's electricity transmission and distribution and gas distribution networks. Our members provide over 16 million electricity and gas connections to almost every home and business across Australia.

In the context of the recent lodgement of a number of gas rule change applications, ENA supports a holistic consideration of all of these proposed changes affecting gas network and pipeline operations and planning, rather than a piecemeal or sequential processes of interlinked rule changes, such as the reliability standard rule change. It will be important for the AEMC to consider all the interlinked issues raised in each of the proposed rule changes and it would be beneficial, in our view, to conduct a more general review encompassing these issues.

ENA notes that it is unclear that under current arrangements there is a risk that inefficient decisions would be made by market participants, AEMO and policy makers. Consequently, it is unclear whether gas consumers do face any material risk of bearing costs of any "inefficient" decisions in this area. ENA supports market-led decisions as typically delivering the best outcome for all and the gas market.

It is worth noting that the scope of the NEM reliability standard applying to electricity currently excludes electricity distribution networks. To be consistent across energy systems the reliability standard should not apply to gas distribution networks.

Furthermore, gas networks and pipelines have fundamentally different levels and drivers of reliability to their electricity counterparts. Gas networks and pipelines are predominantly

underground, are resilient to severe weather events and are inherently reliable – outages are extremely infrequent.

A material risk in introducing a reliability standard, particularly for gas distribution networks and pipelines, is increasing administration costs – and ultimately increases bills for customers – for unclear offsetting benefits.

A further conceptual difficult with taking this step as it relates to gas networks and pipelines is that this may be viewed as seeking to put a value on something that is intrinsic in the market as it currently operates. For example, seeking a response from gas consumers as to how they value gas reliability may in many cases be seeking a numerically specific response on a concept that they have never practically considered, because gas has always been reliable and available.

If you would like to discuss the contents of this submission, please contact Terese Weber, Renewable Gas Policy Manager at tweber@energynetworks.com.au.

Yours sincerely,

Garth Crawford

General Manager, Economic Regulation

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