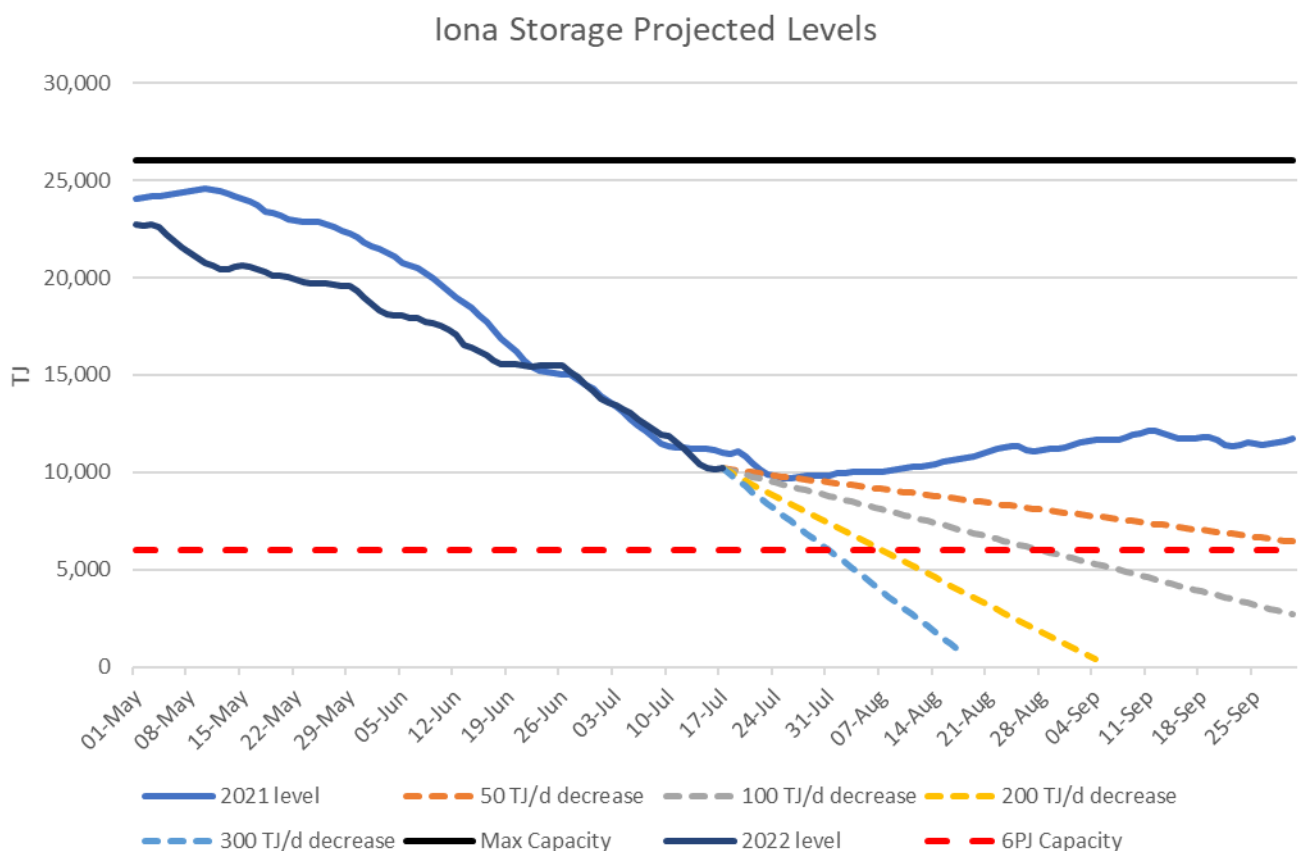


Notice of a Threat to System Security – Seeking a Market Response

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 updating participants on the threat to system security issued on 11/07/22 in the Declared Transmission System, due to low Iona underground gas storage inventory and the risk of supply shortfalls due to Iona inventory depletion this winter.

Iona storage inventory has reduced at an average daily rate of ~200 TJ/d since 11 July 2022, when it was 11.6 PJ to 10.2 PJ on 17 July. If this rate of decline continues, Iona storage inventory will reduce to 6 PJ on 6 August. At this inventory level, Iona supply delivery capacity may begin to reduce due to low storage reservoir levels, with this supply capacity reduction increasing if the Iona inventory continues to decline.



This reduction in Iona supply capacity increases the risk of curtailment during peak demand days and during periods of high gas generation demand.

AEMO has determined that there is a possibility that market or operational responses may prove insufficient to alleviate the threat. AEMO are considering all other possible options prior to intervening. Market participants are requested to:

- as per previous threat notice, cease purchasing gas from the DWGM via controllable withdrawals from the DTS – particularly via Culcairn (i.e. not bid for controlled withdrawals of gas from the DTS without corresponding gas supply scheduled for injection into the DTS).
- arrange for gas injections to offset the gas withdrawals for Gas Fired Generators (i.e. not withdraw gas for Gas Fired Generation without a corresponding gas supply scheduled for injection into the DTS).

- Inform AEMO, via GasPlanning@aemo.com.au, of each Market Participants' planned injections and withdrawals to enable AEMO to complete a Supply-Demand analysis and as per NGR 341(2), AEMO is requesting all Market Participants to provide the following information for the period to 30 September 2022:
 - Controllable injections by meter
 - Controllable withdrawals by meter
 - Demand forecasts for GPG by meter
 - Demand forecasts for uncontrollable demand.

Market Participants are requested to provide the data in accordance with the attached template by **10am Thursday 21 July 2022**.

Under rule 341(3) of the NGR, Market Participants must not unreasonably withhold this information from AEMO and must provide it as soon as practicable after the receipt of this notice.

Under rule 341(4) of the NGR, AEMO will treat all information provided by Market Participants as confidential information.

- AEMO is in the process of finalising its operational response if the market response is insufficient to avert the threat to system security. This may include:
 - intervening in the market to limit withdrawals from the DTS.
 - intervening in the market to limit Iona storage withdrawals to a sustainable rate, that ensures continuity of supply to 30 September.
 - activating the Gas Supply Guarantee to ensure the gas supply for generators.
 - updating NGERAC on the gas supply situation within the DTS and across South-Eastern Australia, which may result in further actions.

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 storage inventory depletion has subsided.

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

Issued on 18/07/2022

Group Manager Market and Systems Operations
Australian Energy Market Operator