This event will be recorded and the recording published on AEMO's website

AEMO
AUSTRALIAN ENERGY MARKET OPERATOR

2025 Gas Statement of Opportunities

Publication Webinar

20 March 2025

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 launched 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

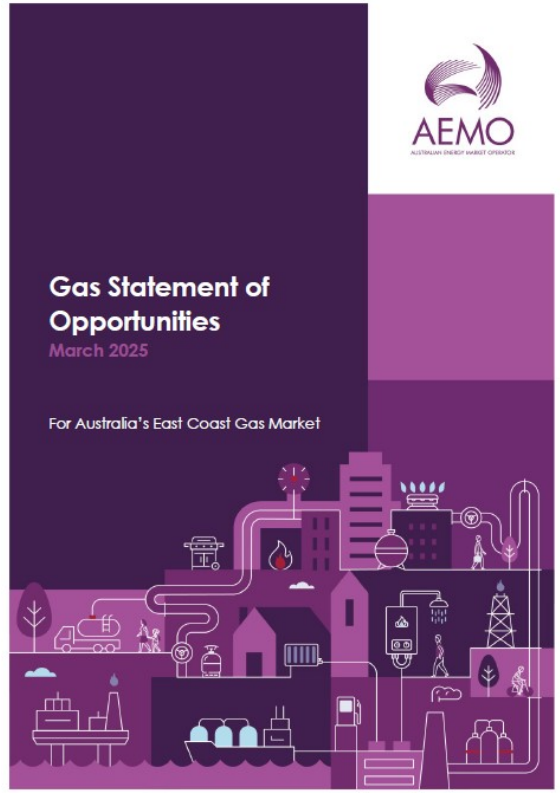
Agenda

Time	Item	Speaker
1:30 pm	Agenda & welcome	Levi Rosenbaum, Senior Stakeholder Advisor
1:35 pm	Introduction & key messages	Merryn York, Executive General Manager, System Design
1.40 pm	Forecast gas consumption forecasts	Tony Wiggins, Manager Gas Forecasting
1.50 pm	Gas supply outlook	Alice McLaren, Manager Market Operability
2:00 pm	Adequacy assessment	
2:15 pm	Future supply, transportation and storage options	
2:30 pm	Q&A	All
3:00 pm	Survey and close	Levi Rosenbaum, Senior Stakeholder Advisor

Today's objectives

Present the 2025 GSOO including supply and demand forecasts and potential market-led investment solutions.

Ask questions using Slido for response by AEMO in a Q&A session after the presentation



Read the report and supporting material

How to interact today

www.sli.do
#AEMO

- Please ask questions using Slido www.sli.do #AEMO
- Join with your name, no need to log in
- Ask your own questions or up-vote others' questions
- Provide feedback through our post-webinar survey

Key Messages

The 2025 GSOO assesses the adequacy of gas reserves, resources and infrastructure to meet gas consumers' needs in the East Coast Gas Market.

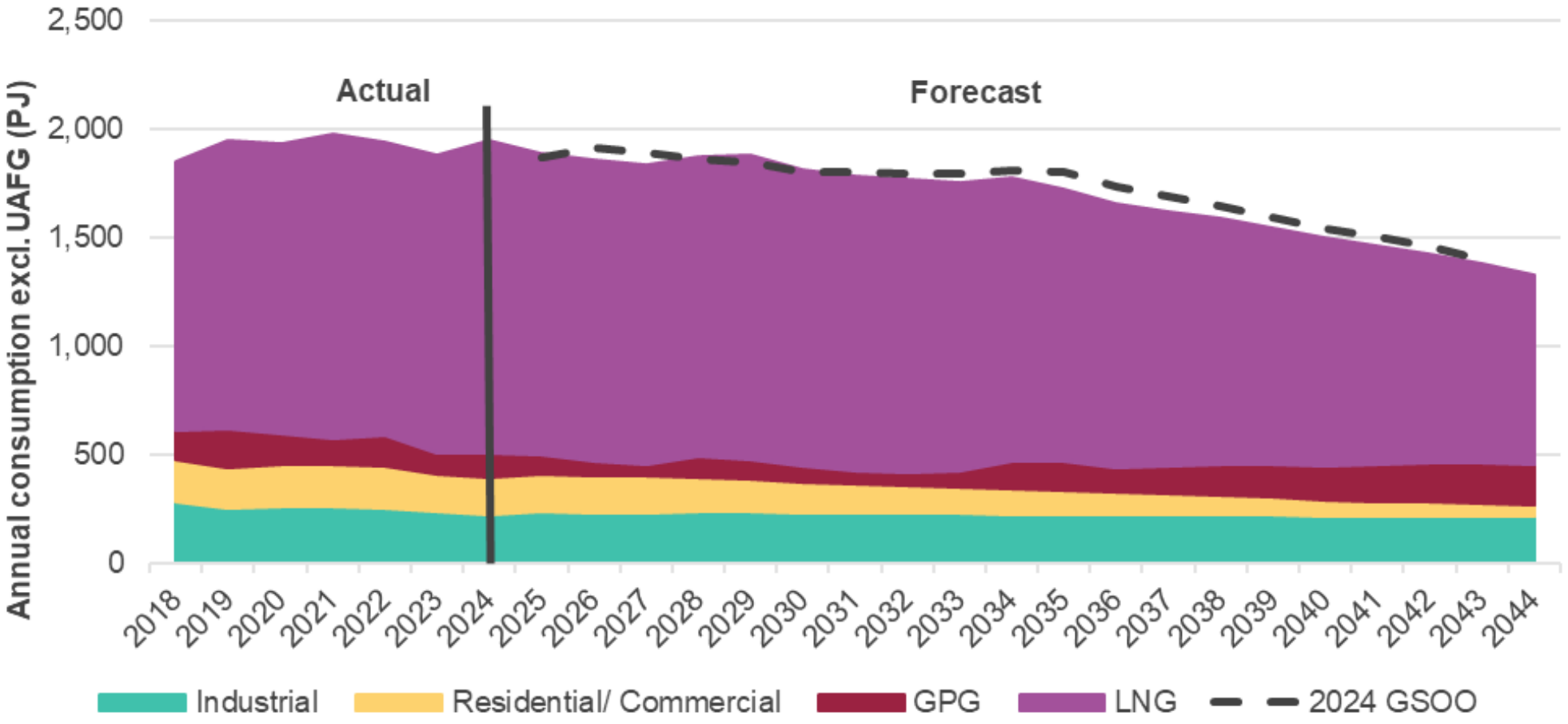
It identifies that while the scale of gas consumption is uncertain through the energy transition, new supply investments are required to maintain supply adequacy:

- During Australia's transition to net zero emissions, gas will continue to be used by Australian households, businesses and industry, and will support the reliability and security of the energy sector.
- Shortfall risks under peak conditions are forecast from 2028, as well as seasonal supply gaps.
- From 2029, a structural need for new gas supply exists.
- While a number of options exist to address the supply gaps, and these can delay the supply gaps individually until the early 2030s, a combination of supply and storage developments are forecast to be needed to maintain supply adequacy.

Forecast gas consumption

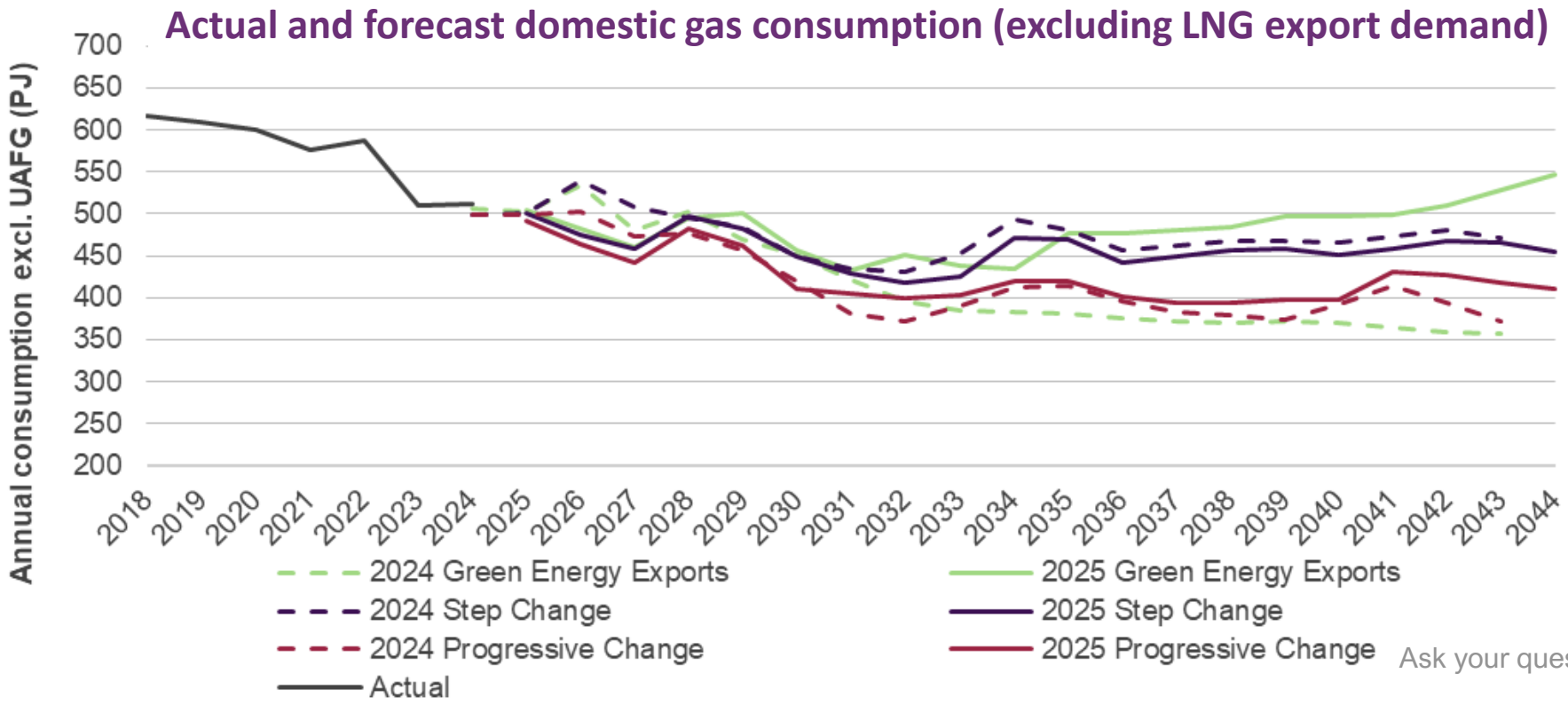
As forecast, including surveyed responses by large industrial users

Gas consumption forecast to decline



Forecast modest decline in domestic gas consumption

- Residential and commercial forecast to ease
- Industrial relatively flat after some initial closures

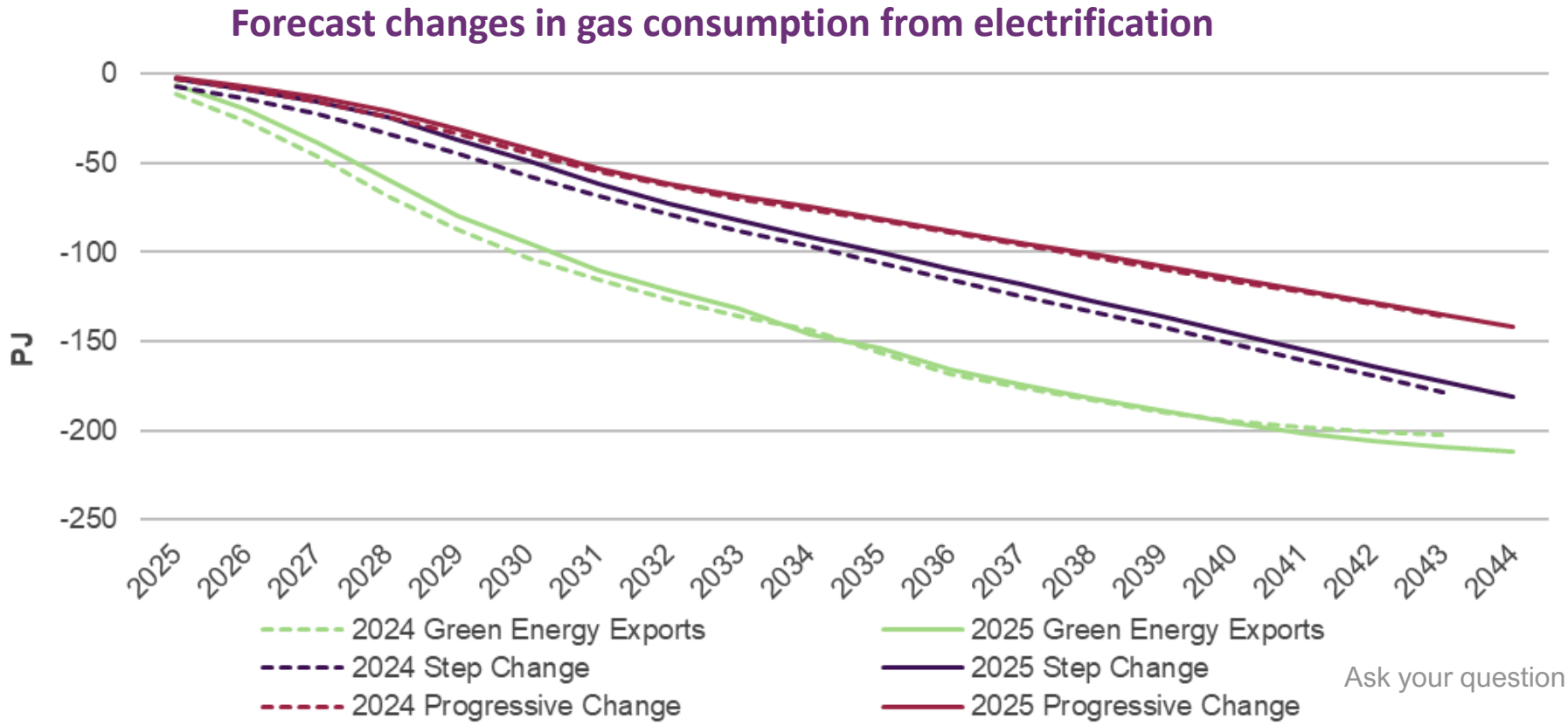


Drivers of gas consumption

- Broader economic conditions including population and economic growth
- Industrial activity, with changes in operating plans in response to domestic and international factors
- Fuel switching from electrification
- Price
- Gas for generation of electricity

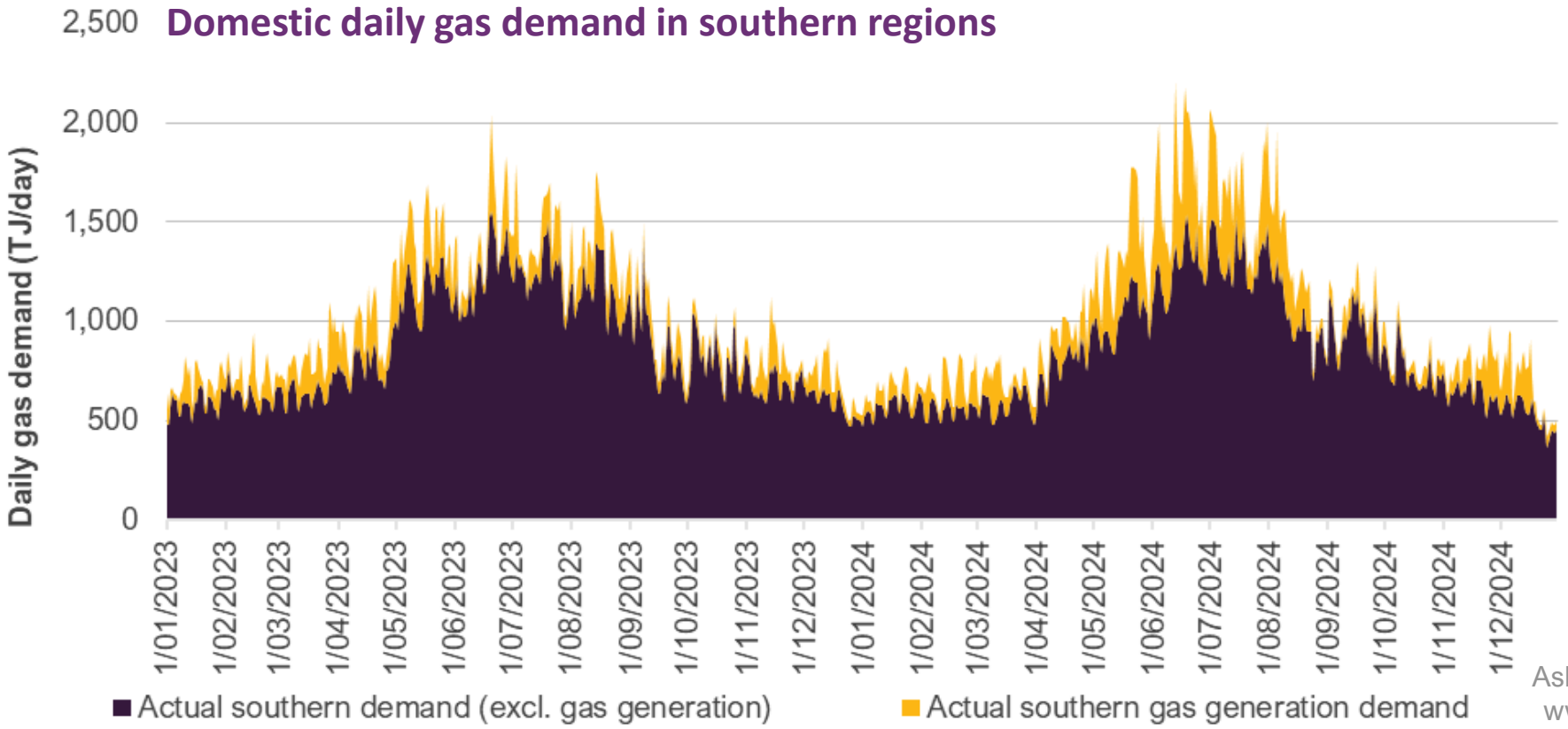
Impact of electrification

- Supports broader economy-wide net zero objectives, with the largest impact from residential and commercial sectors
- Electrification of temperature-sensitive loads will increase peak day consumption



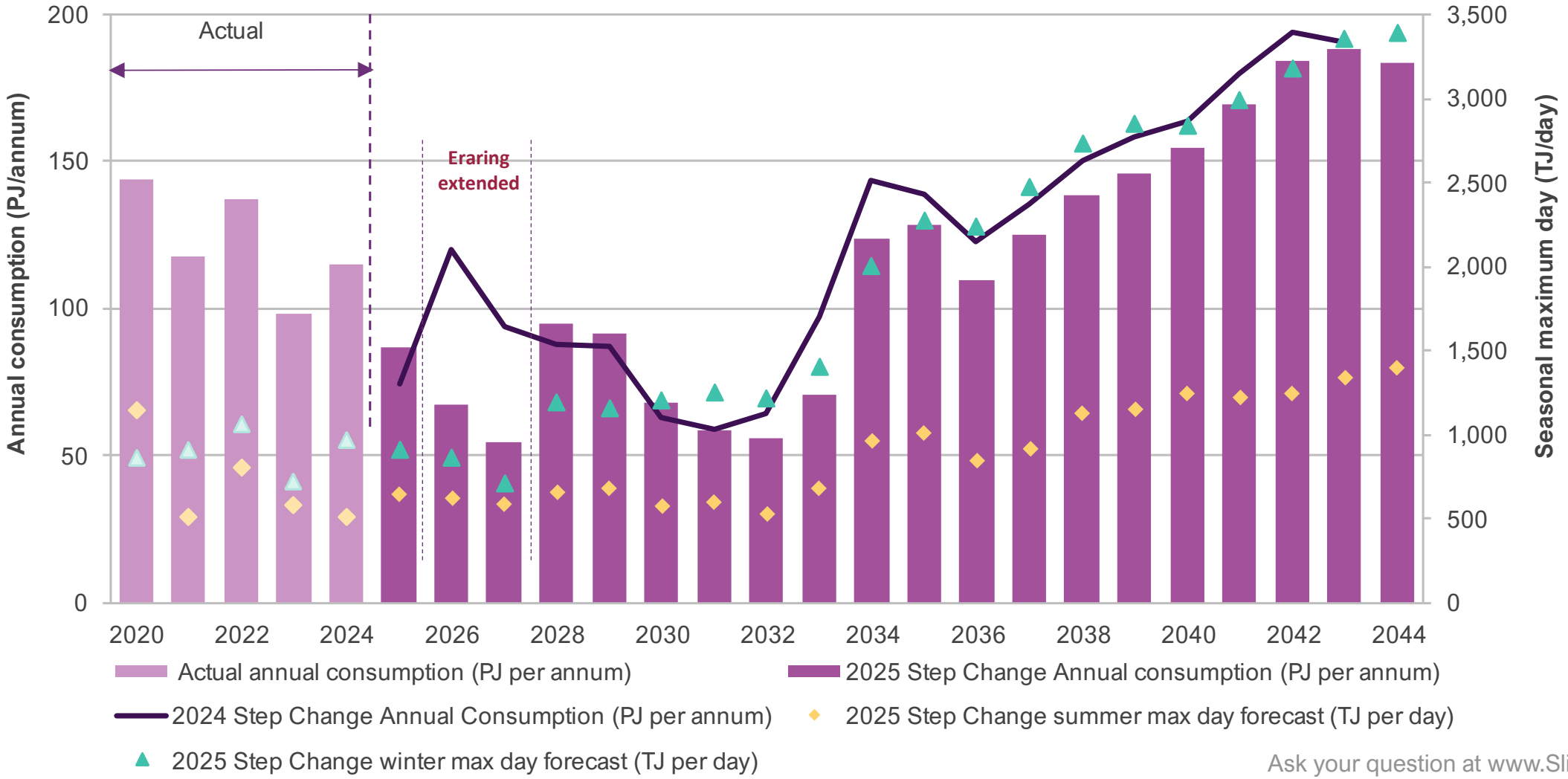
Peak day gas consumption is highly seasonal

- Historically, cold weather conditions drive significant increases in gas use
- Weather conditions may affect simultaneous use of gas and electricity, compounding the volatility of all gas needs, including for electricity generation



Ask your question at
www.Sli.do #AEMO

Extended coal availability temporarily relieves gas powered generation (GPG) needs, but volatility forecast to increase

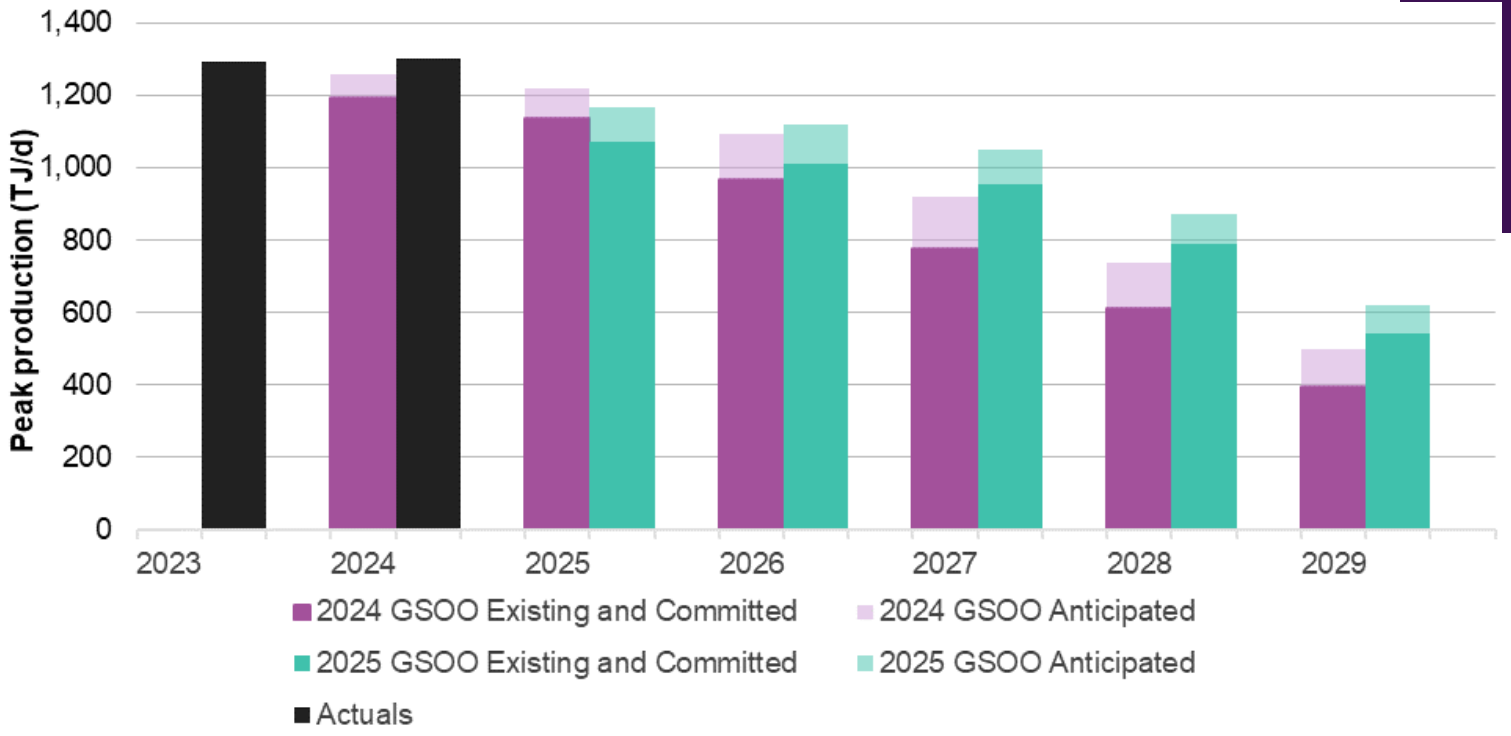


Gas supply outlook

Informed by gas producers of the East Coast Gas Market

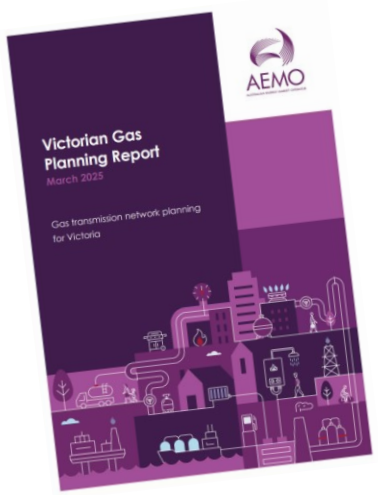
Reprofiling of gas production improves short-term supply, but southern production still in clear decline

- Field production reprofiling and projects progressing to Committed status is increasing the maximum daily gas production capacity from 2026, relative to the 2024 GSOO.
- Existing, committed and anticipated production capacity is forecast to be approximately half the historical capacity by 2029, with reduced redundancy as plant capacity reduces.



Longford production decline and plant decommissioning

- Longford Gas Plant used to supply two-thirds of eastern Australia's domestic gas consumption.
- Production capacity for winter 2025 and 2026 is lower than the forecast in the 2024 reports, with more capacity available in 2027 and 2028.



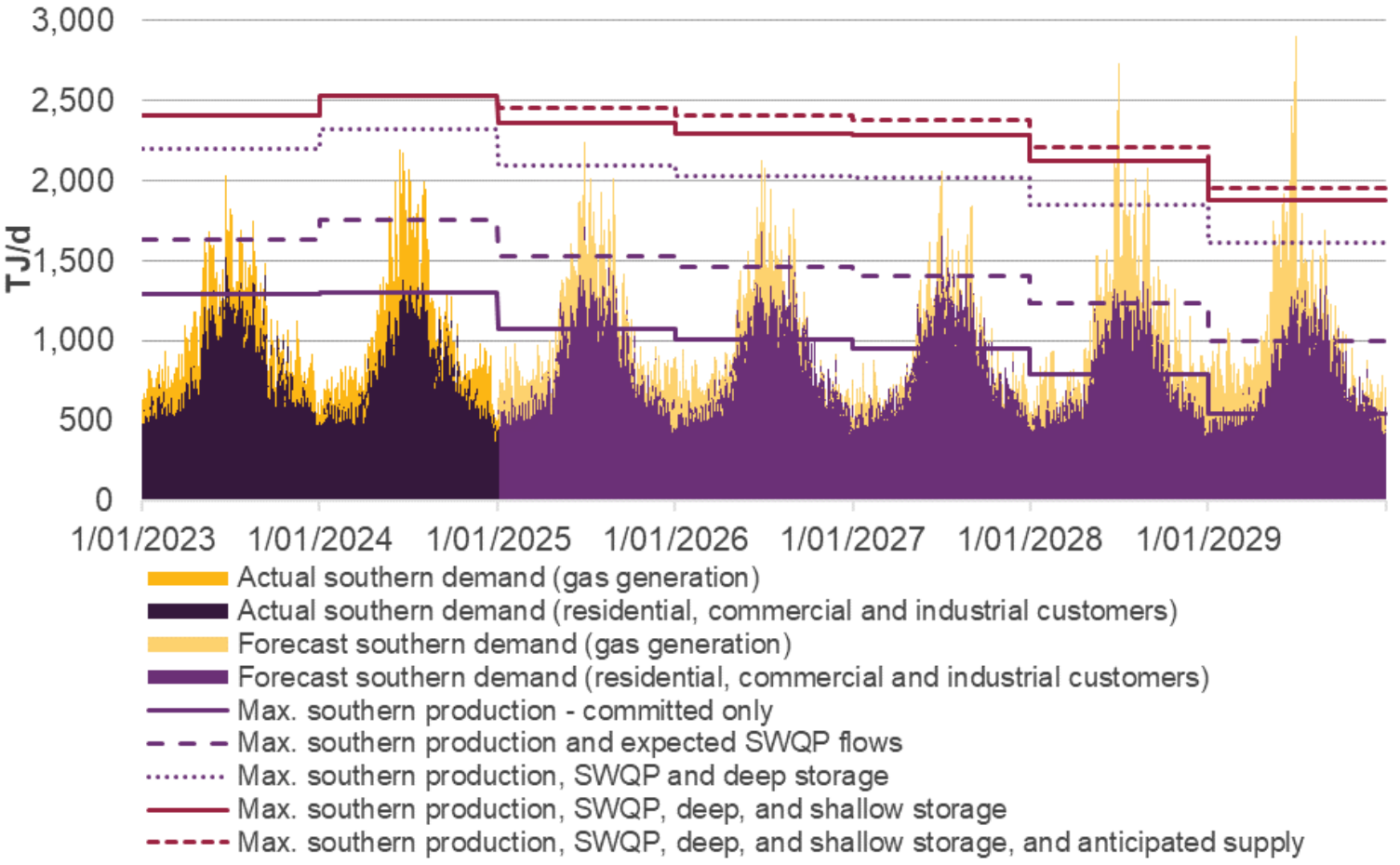
Read the 2025 Victorian Gas Planning Report for more detail

Gas supply adequacy assessment

Identifying peak day gas shortfall risks, as well as emerging supply gaps across the 20-year GSOO horizon

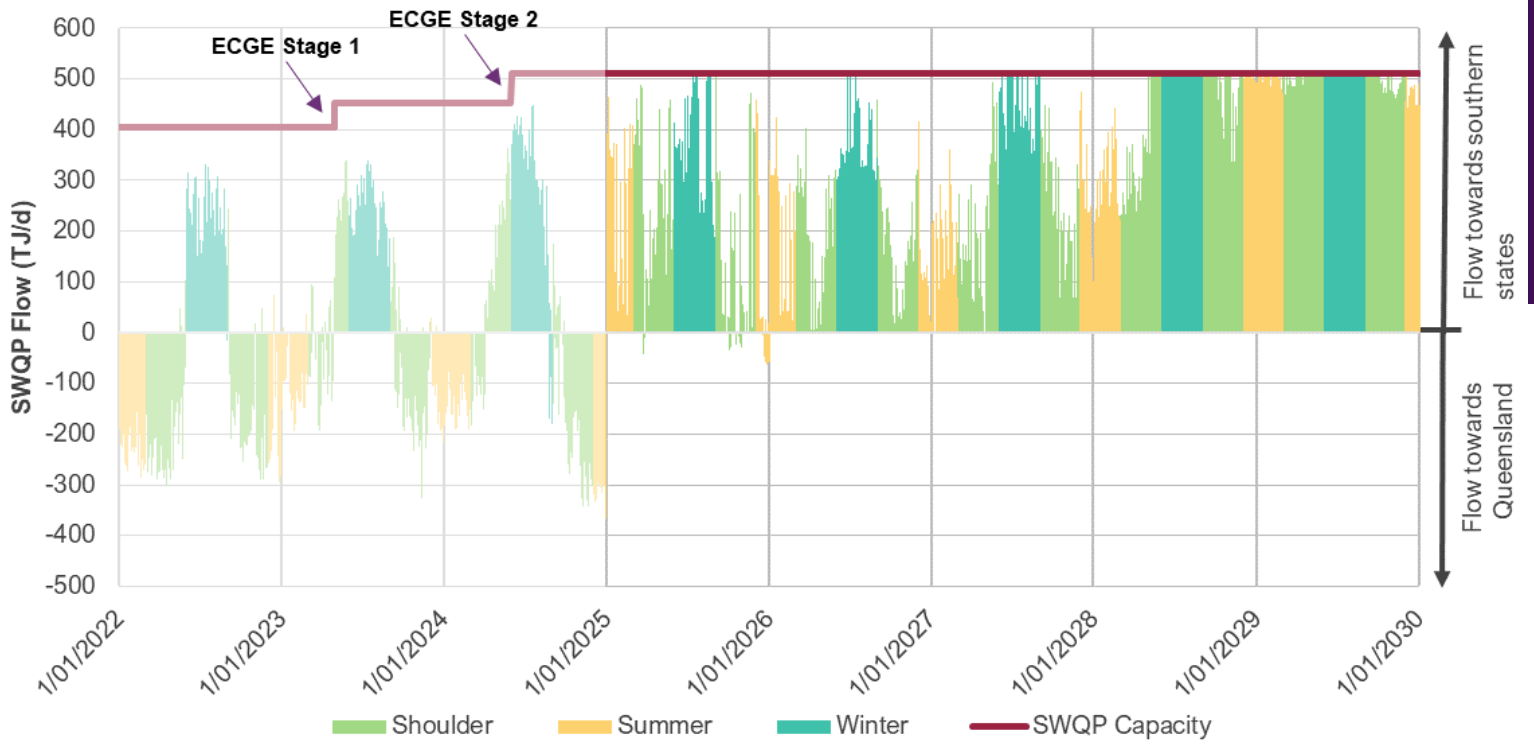
Risks exist for peak day shortfalls from 2028, and supply gaps emerge in 2028 and 2029

- The risk of peak day shortfalls from 2025 reported in the 2024 GSOO has eased in this year's forecast due to:
  - Lower gas consumption forecasts,
  - Temporary reduction in GPG with the extension of Eraring Power Station,
  - New southern supply developments.
- Peak day shortfall risks are forecast from 2028.
- Anticipated supply will reduce the magnitude of peak day shortfalls but not delay the risks.
- Deep and shallow storages are critical to meet peak gas needs.

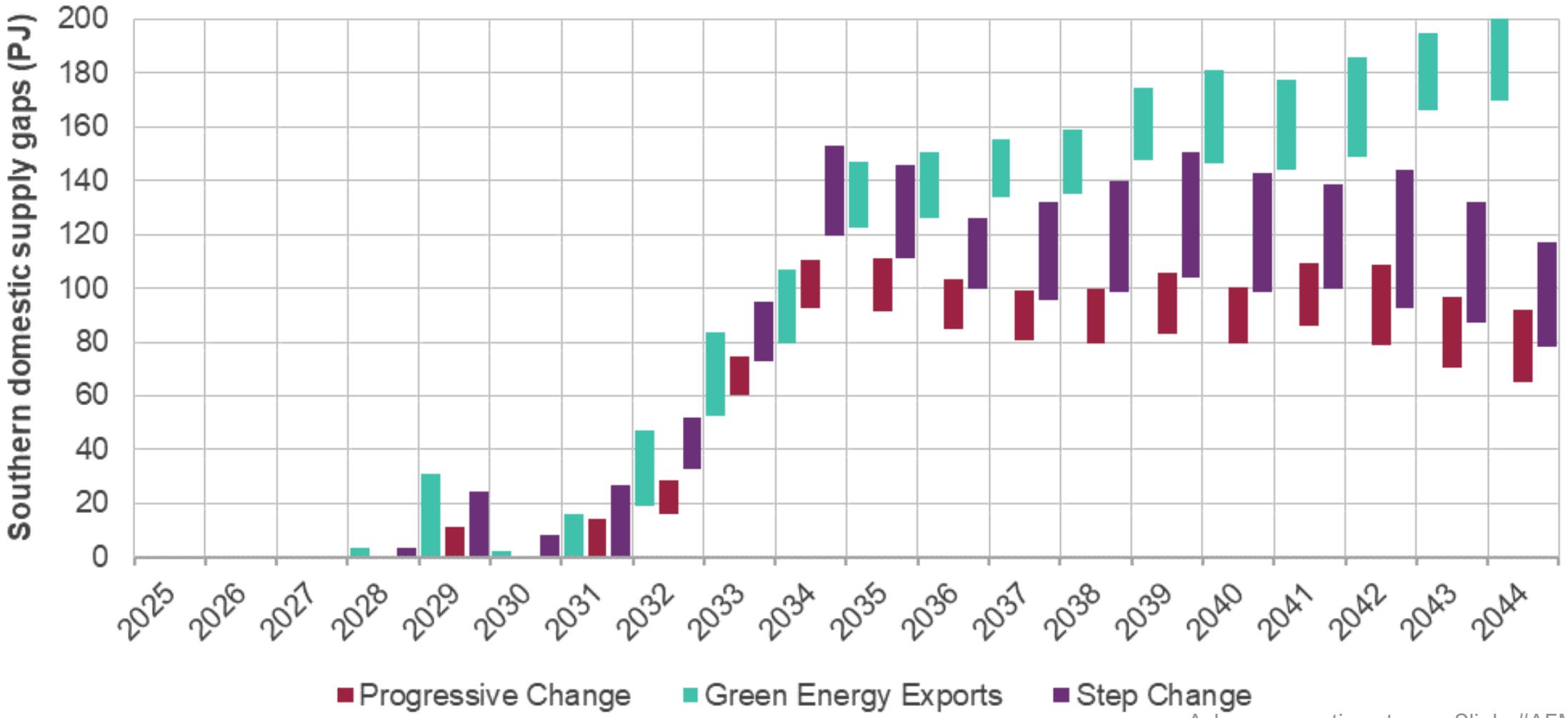


Forecast reliance on northern gas to meet southern demand

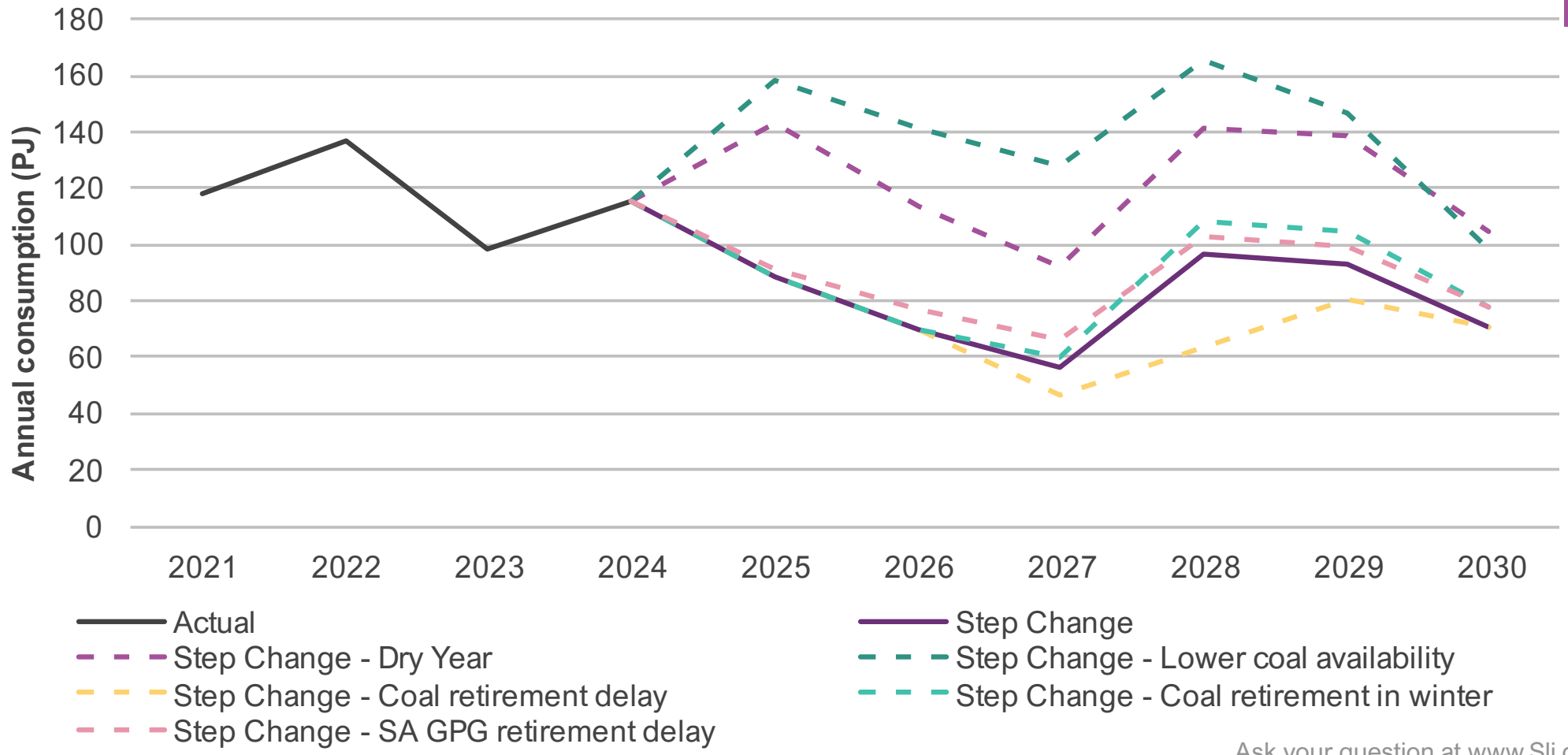
- There is continuing reliance on northern gas transported to southern states via the South West Queensland Pipeline (SWQP).
- The SWQP is forecast to increasingly reach capacity from 2025. This limits the amount of northern gas that can be used to supply the south.



A structural need for new supply is forecast from 2029

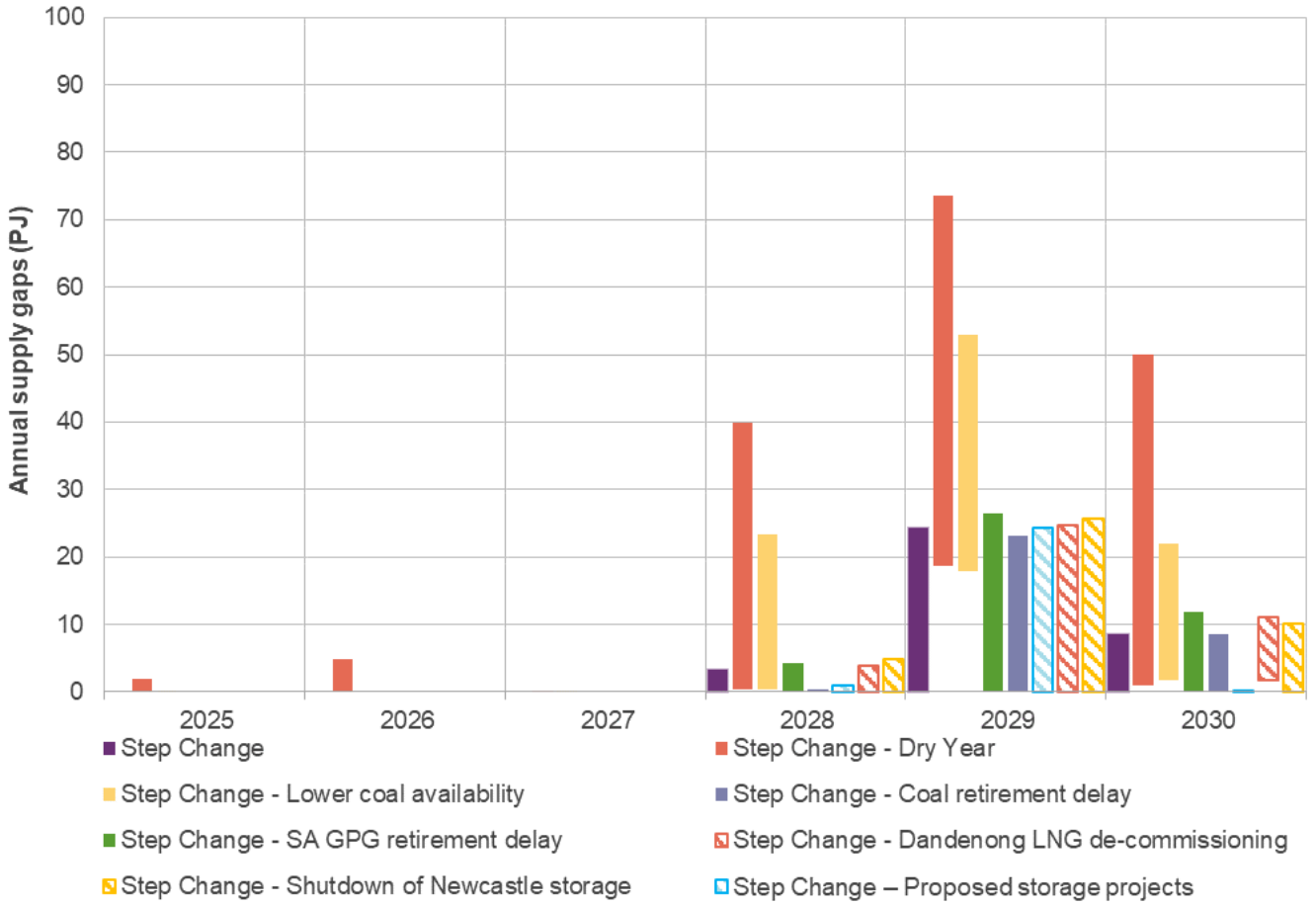


Gas powered generation (GPG) may vary due to unexpected events



Uncertainties facing the east coast supply demand balance

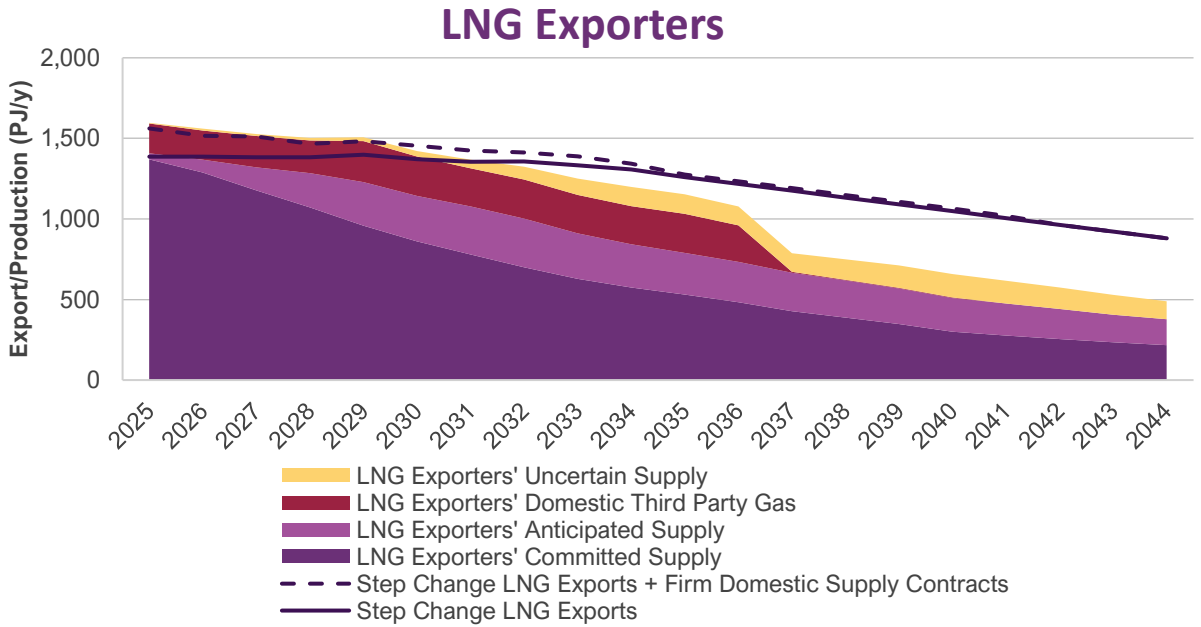
- Demand sensitivities explored conditions that may impact the volume of gas needed for electricity generation.
- Supply sensitivities considered the impact of changes to the availability of gas storages.

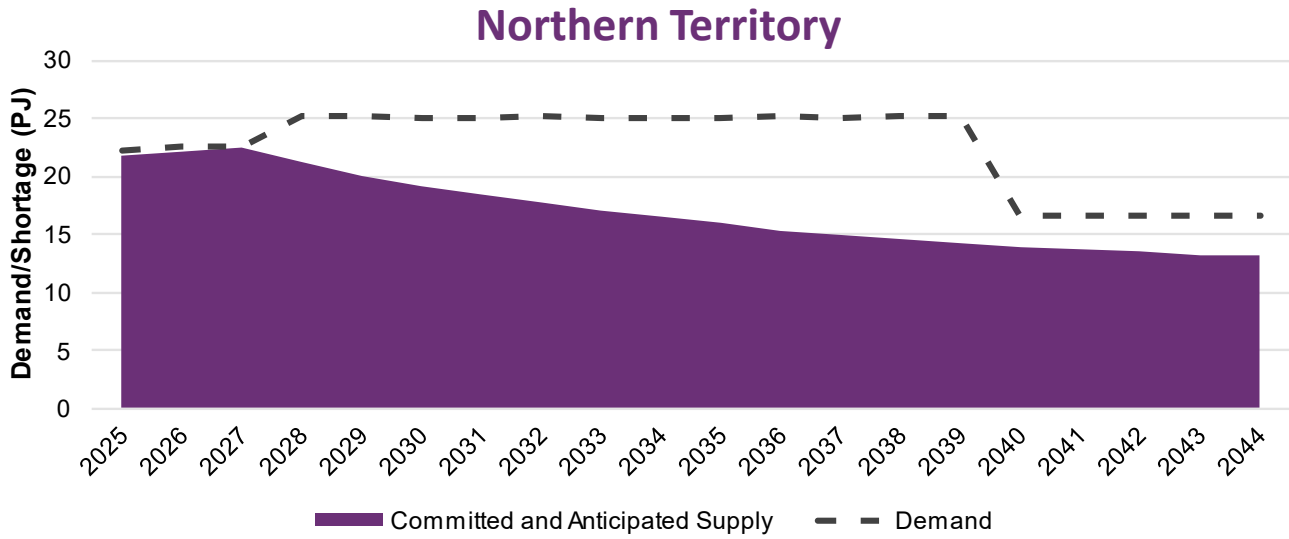


Northern supply adequacy requires uncertain supply developments by 2032

- In Queensland, anticipated supplies need to be available for production after 2025.
- From 2032, expansion of uncertain supply, which may include expanded CSG well developments, will be required to balance with forecast demand.

- In the Northern Territory, there have been issues with supply from the Blacktip field, which is one of the main suppliers to meet NT domestic demand.
- Continued reliance on interim emergency gas supply arrangements with Darwin LNG exporters may be needed.





Ask your question at www.Sli.do #AEMO

Potential options to address challenges

This extended physical assessment of ECGM gas adequacy does not consider factors such as costs, price impacts, regulatory approvals and other relevant factors for each option.

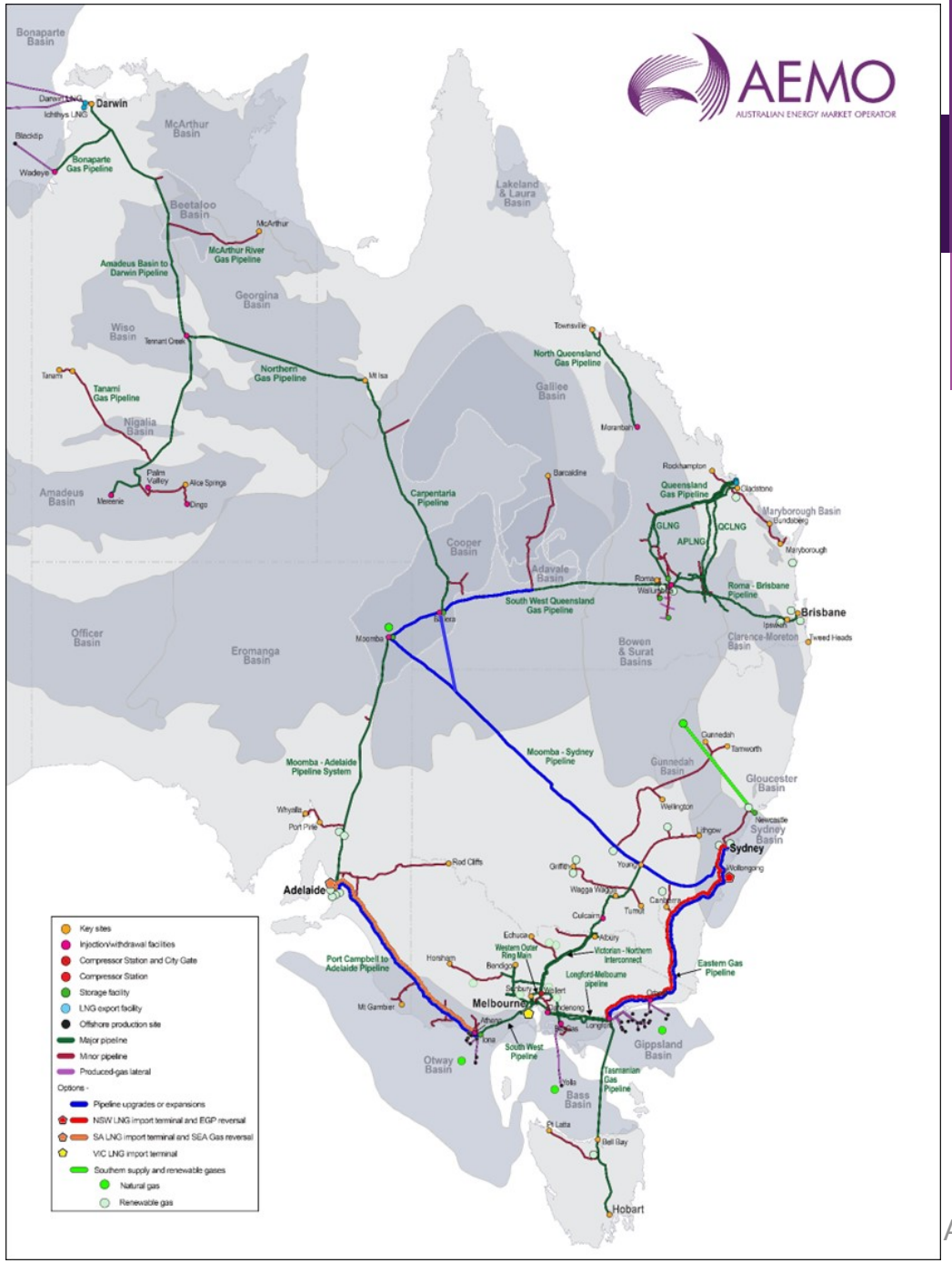
Several options exist to address supply gaps in the southern states

Options considered:

- Developing uncertain southern supplies
- Pipeline expansions and upgrades
- An LNG regasification terminal

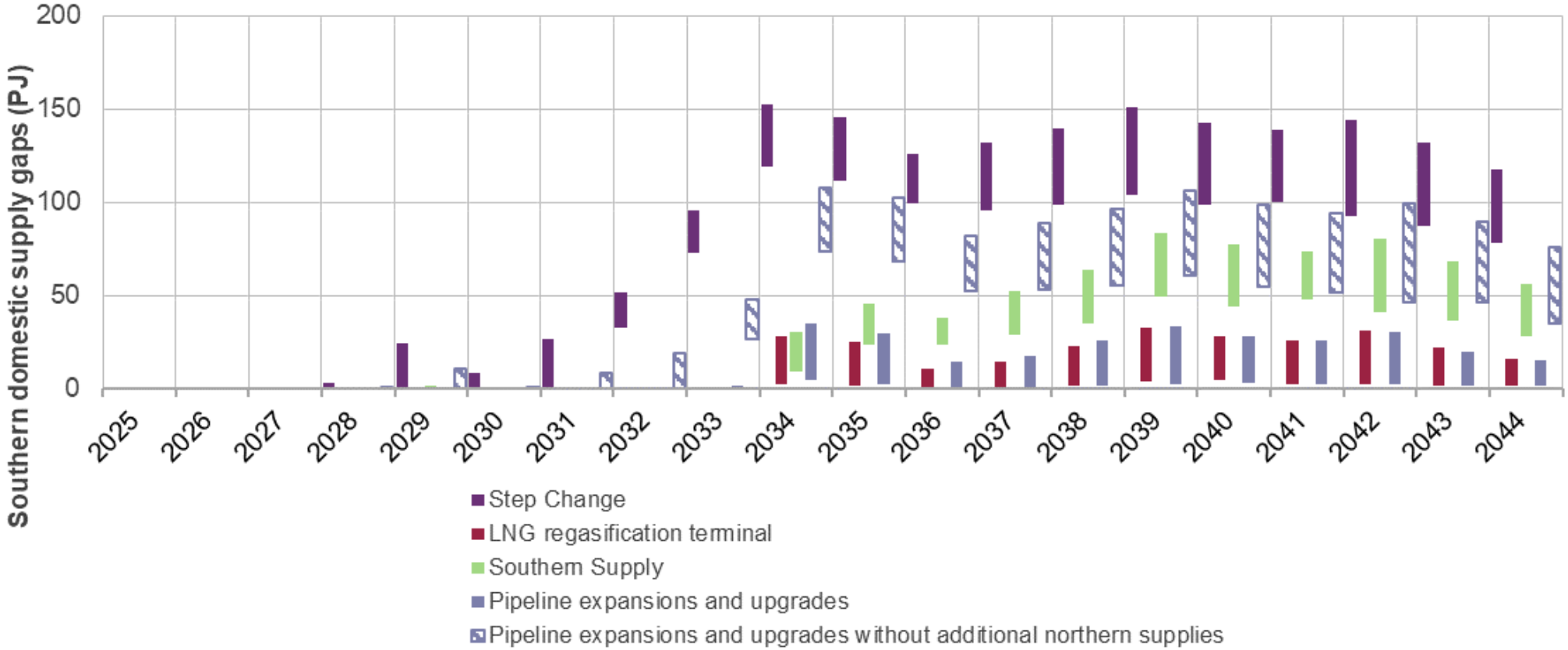
All options delay southern annual supply gaps until 2033 or 2034.

Beyond this time, a combination of storage and more field development will be required to ensure supply adequacy.

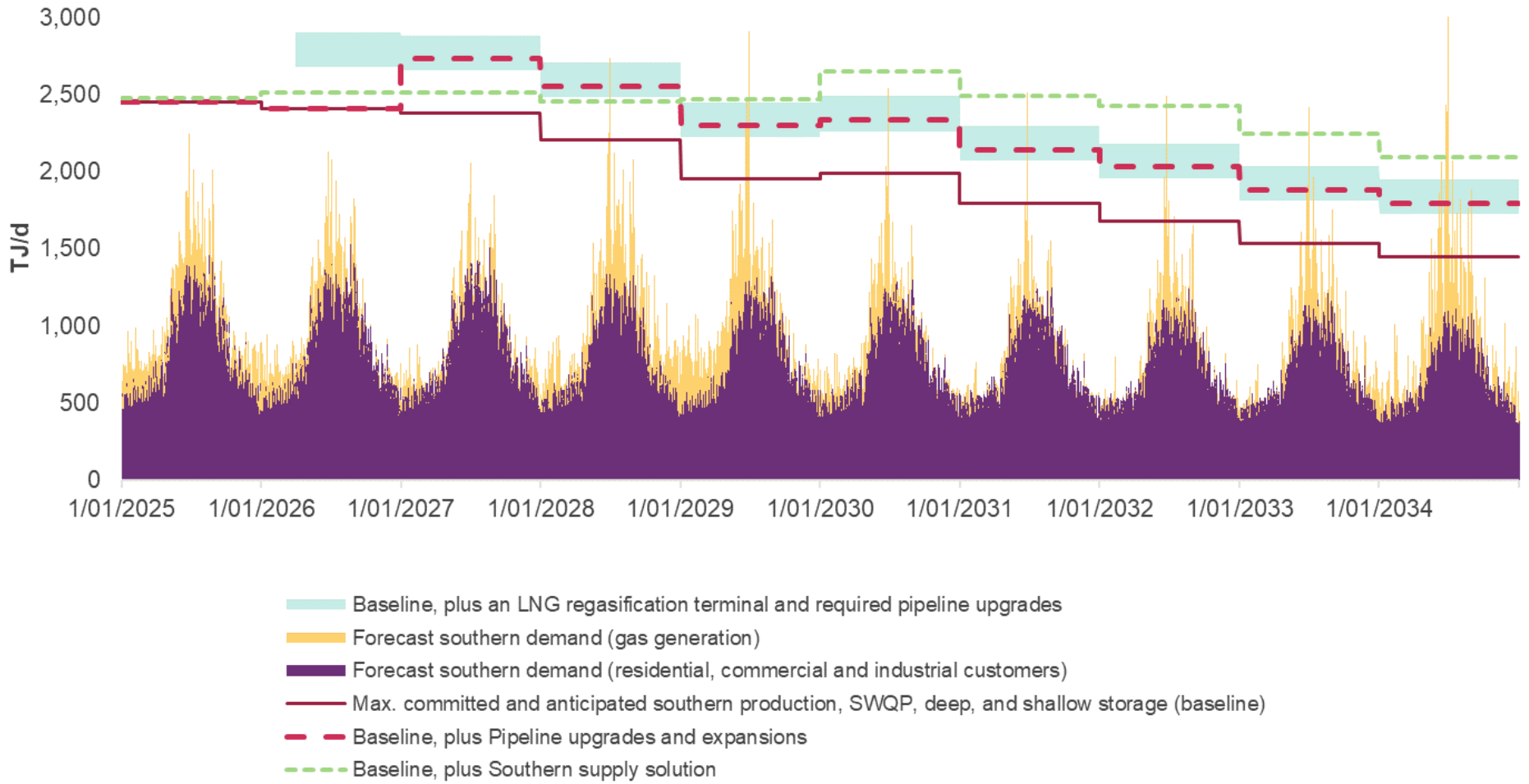


All options can delay shortfall risks and supply gaps to 2033 or 2034

- Pricing impacts of each solution are not considered
- A combination of infrastructure options is likely required to meet long-term requirements



Southern daily adequacy improves under all options



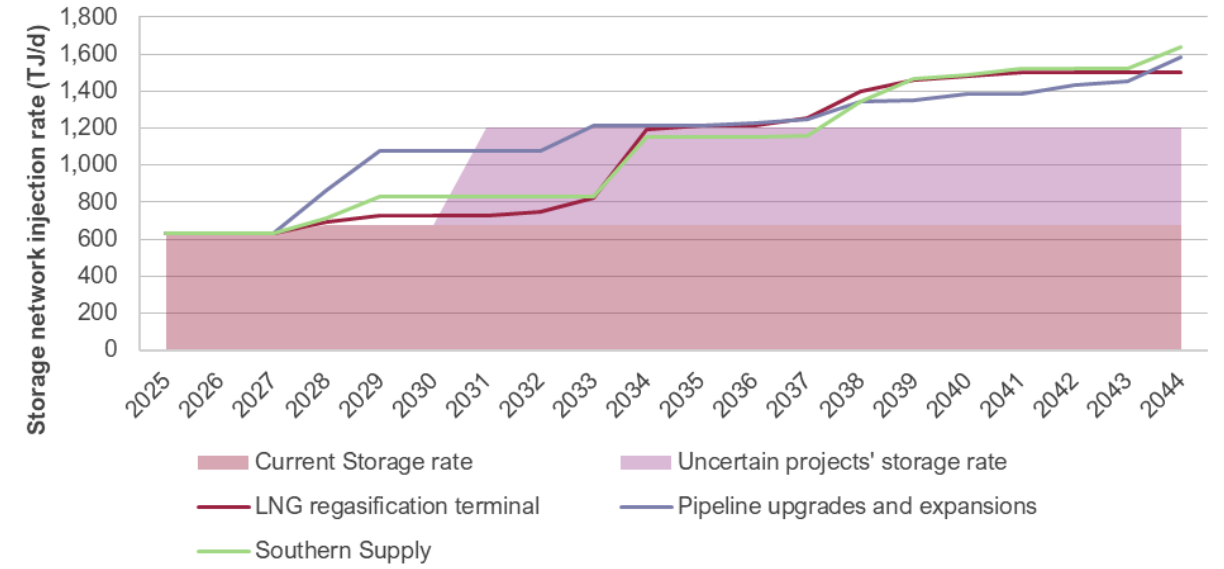
New storage and new northern supply is required in all options

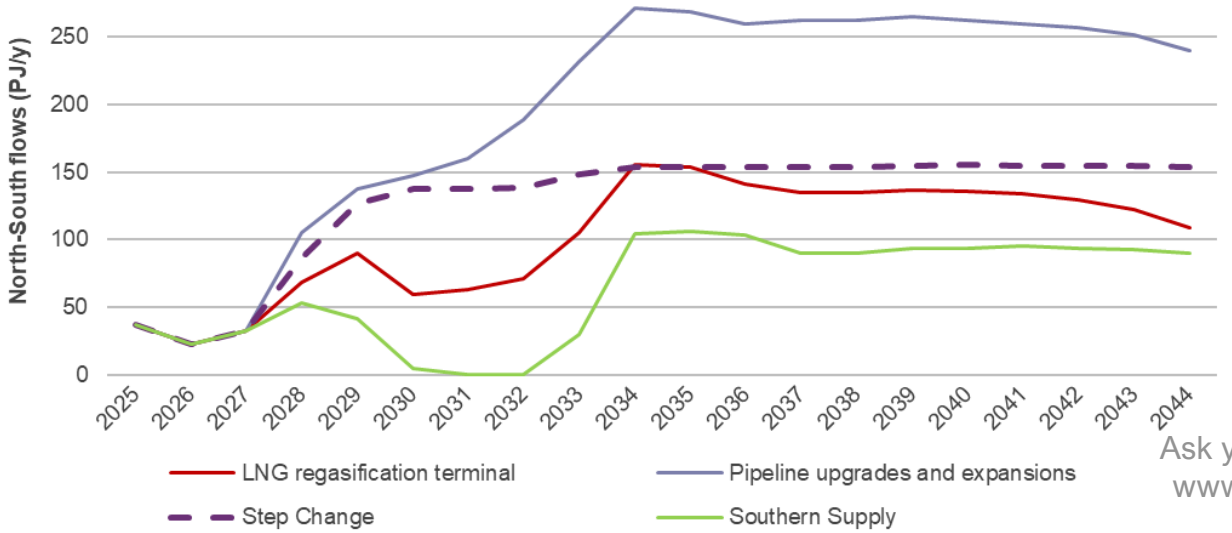
Storage

- Towards the end of the 2030s, all options will require 500-550 TJ/d of additional injection capacity from southern storages.

Northern supply

- All options require significant new northern supply to support forecast LNG exports and domestic northern demand.
- An additional opportunity for development of even greater northern supply exists to support southern states.





Ask your question at www.Sli.do #AEMO

Questions and comments

www.sli.do
#AEMO
Sign in with your name

Please send feedback on today's webinar
https://nam.dcv.ms/o7ZZZyP9fz

AUSTRALIAN ENERGY MARKET OPERATOR

For more information visit

aemo.com.au