



29 May 2025

Australian Energy Market Commission
Level 15
60 Castlereagh Street
Sydney NSW 2000

RE: GRC0078 – Extension of DLNG Arrangements

Shell Energy welcomes the opportunity to provide feedback to the Australian Energy Market Commission (the Commission) consultation on the Extension of DLNG Arrangements.

About Shell Energy in Australia

Shell Energy is an energy solutions business and renewables and battery energy storage system developer in Australia. As the one of the largest electricity providers to commercial and industrial businesses in Australia¹, Shell Energy offers integrated solutions and market-leading² customer satisfaction, innovation across a portfolio of electricity, gas, environmental products and energy productivity. Our residential energy retailing business Powershop, acquired in 2022, serves households and small business customers in Australia.

Our generation assets include 662 megawatts of gas-fired peaking power stations in Western Australia and Queensland, supporting the transition to renewables, and the 120-megawatt Gangarri solar energy development in Queensland. Shell Energy also operates the 60MW Riverina Storage System 1 in NSW, as well as the 200MW Rangebank Storage System and 370MW Koorangie Storage System both located in Victoria.

Shell Energy Australia Pty Ltd and its subsidiaries trade as Shell Energy, while Powershop Australia Pty Ltd trades as Powershop. Further information about Shell Energy and our operations can be found on our website [here](#).

General Feedback

Shell Energy supports the extension of the DLNG arrangements for a defined period, Option 3 in the consultation paper. Our support for this option is on the basis that the alternatives are less attractive options. We agree with the rule change proponent that AEMO's powers to trade in gas and issue directions under the ECGS stage 1 reforms are not the optimal solution to address the shortfall supply risks in the short-term. We therefore do not support option 1, letting the current arrangements expire. We also note that implementing the current arrangements as a permanent change would potentially conflict with upcoming supplier of last resort (SoLR) rule change.

Retaining the current arrangements ensures that the DWGM benefits from minimised price impact due to the pricing requirements that the rules contain and from the reporting requirements placed on AEMO. We do not support any change to the requirement for reinjected LNG reserves to be scheduled after all available participant bids have already been scheduled and at the VoLL price.

We note that it may be desirable to make the end date of these interim arrangements contingent on the outcome and implementation timeframe for the ECGS stage 2 supplier of last resort rule change. Shell Energy's view is that it would be unproductive to have a SoLR mechanism implemented in the national gas rules with a start date prior to the expiration of this DLNG-specific mechanism. We therefore propose that this interim arrangement be drafted such that it ceases upon commencement of any SoLR rule implementation with a maximum duration of 3 years.

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Shell Energy welcomes further engagement on this topic. If you have any questions or would like further details relating to this submission, please contact Peter Wormald at peter.wormald@shellenergy.com.au.

Yours sincerely,

Libby Hawker
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