

12 September 2025

Ms Anna Collyer  
Chair Australian Energy Market Commission  
Level 15, 60 Castlereagh Street  
Sydney NSW 2000

By online submission

Dear Ms Collyer,

### **Extension of the DWGM Dandenong LNG interim arrangements (GRC0078)**

AEMO welcomes the opportunity to respond to the AEMC's draft determination and draft rule to extend the Declared Wholesale Gas Market (DWGM) Dandenong liquefied natural gas (LNG) interim arrangements. AEMO supports the AEMC's draft determination that the Dandenong liquefaction and storage facility operators should be treated as a facility operator group for the purposes of the Gas Bulletin Board (GBB) and to be jointly responsible for complying with the storage reporting obligations.

#### *Protections against potential increases in costs*

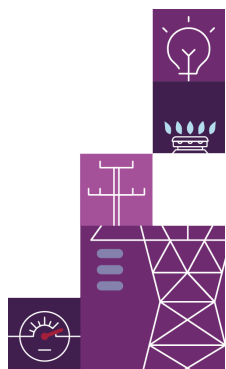
AEMO agrees with the AEMC's draft determination to remove rule 282(2)(c)(i) and supports ensuring that this provision cannot be relied on for capital investment under the guise of a safety-related issue. The draft determination notes that allowing any pass-through of long-term capital expenditure pass-through would be inconsistent with the original intent of the 2022 final rule establishing the interim buyer and supplier of last resort arrangement. AEMO considers that explicit protections against these potential cost pass-throughs should be included in the National Gas Rules (NGR), noting that the existing LNG storage agreement between AEMO and APA provides for the automatic pass-through of liquefaction charges incurred in the relevant month. To further limit this risk, AEMO considers it appropriate that the rules provide either a cap on the extent of liquefaction cost pass-throughs or, where material increases occur, the ability for AEMO to terminate the agreement. If termination occurs, AEMO would manage system security using other mechanisms, including our powers to direct to resolve a threat to system security in the DWGM.

#### *Protections against costs for unusable LNG storage capacity*

AEMO supports the Commission's draft rule 282(3A) but considers that it should be clarified to state that AEMO is not required to contract for the use of uncontracted LNG storage capacity, or pay for LNG storage capacity, that AEMO reasonably considers is subject to a temporary or permanent constraint limiting the use of this capacity. This clarification would remove any ambiguity and ensure Victorian gas consumers are not exposed to costs for storage capacity that cannot be used.

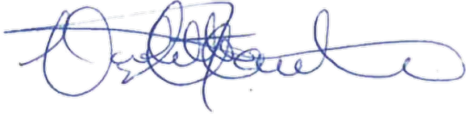
#### *Minor drafting correction*

AEMO notes a minor drafting mistake in the draft rules. In rule 141(1) within the definition of *facility operator* for a BB storage facility, the word 'for' should be deleted to ensure the definition reads correctly.



AEMO looks forward to continuing work with the AEMC on this rule change. Should you wish to discuss any aspects of this submission please contact Paddy Costigan, Group Manager, Gas Reform at [Paddy.Costigan@aemo.com.au](mailto:Paddy.Costigan@aemo.com.au).

Yours sincerely,



Violette Mouchaileh

**Executive General Manager, Policy and Corporate Affairs**