



BOC Limited
ABN 95 000 029 729
Riverside Corporate Park
10 Julius Avenue
North Ryde NSW 2113
Telephone 131 262
www.boc.com.au

17 September

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

LODGED ONLINE

RE: BOC Submission to Draft Rule Determination: National Gas Amendment (Extension of the DWGM Dandenong LNG)

Dear Ms Collyer,

BOC welcomes the opportunity to provide a submission on the draft rule determination made by AEMC on the National Gas Amendment (Extension of the DWGM Dandenong LNG) and proposed ECGS Supplier of Last Resort rule change process.

As the operator of the LNG liquefaction facility and both a wholesale and retail buyer of natural gas on the east coast, BOC has unique insights into the broader market and proposed rule change.

BOC is pleased to see several elements adopted in the draft rule determination that we outlined in our formal submission on 29 May 2025 to the proposed extension to the Dandenong LNG interim rule change. However, critical recommendations provided by BOC were not taken up by AEMC.

While BOC acknowledges that this draft rule determination is made on the basis of being an interim arrangement pending the Reliability and Supply Adequacy Phase 2 gas market reforms, the four-year proposed duration is at the peak of uncertainty. Gas shortages are predicted by the ACC and AEMO to occur from 2026 to 2028, and by extending the interim change rather than securing a long-term solution, the market uncertainty is only prolonged.

We therefore believe that the security, safety and reliability criteria should be the primary consideration for this determination. The proposed rule change must also address the challenges and contractual limitations associated with the Dandenong LNG liquefaction and storage facility.

As a key stakeholder on both the storage and gas purchasing sides of the market, BOC offers the

following feedback on the draft rule determination:

1. Term: BOC maintains that a 10-year term is required to underpin reliability, responsiveness and capacity improvements, which provides a substantial benefit to the market. If the function of AEMO as buyer of last resort is not to underwrite capital investments, the goal of increased system reliability and capacity is unattainable, as improvement is needed to deliver the uplift. By extending the status quo without a long-term commitment, market uncertainty is not addressed, and Dandenong LNG is not able to be used to its full potential to mitigate against the expected gas shortages.

BOC also notes that removal of Rule 282 (2)(c)(i) removes the reliability backstop in the NGR. When coupled with lack of term to make responsiveness and capacity improvements, the proposed rule changes do not meet the stated goal of reliability. Indeed, the current rule is limited to the LNG storage facility, and in BOC's view it should be expanded to include the liquefaction facility, rather than be removed from the NGR.

2. Part 18 (Gas Bulletin Board) Reporting: BOC maintains that the proposed Part 18 reporting is of no value to the market, as the liquefaction rates are much lower than the LNG storage and injection volumes. Further, the Bulletin Board user can already see daily reporting on LNG tank levels which indicate whether the facility is filling or injecting. The market service offered by DLNG is firm injection capacity, which should be the focus of any reporting data to the GBB.

Despite the lack of value to the Bulletin Board user, the reporting would still put a significant compliance cost onto BOC, which we see as disproportionate to the benefits. BOC also notes reporting of nameplate capacity should be reported as contracted capacity only.

3. Part 19 (DWGM) Reporting: BOC is not opposed in principle subject to further information on reporting requirements around facility availability and maintenance windows. BOC believes that there will be significant compliance costs for both part 18 and part 19 reporting that as a commercial entity we have an expectation would be recoverable from the market.

BOC also raises that with reference to paragraph 10, the proposed rule change only provides visibility on maintenance, rather than proactively improving the plant reliability and responsiveness. Further, under the status quo, liquefaction availability is still subject to the current commercial arrangement.

BOC looks forward to continuing its engagement with the AEMC and other stakeholders in this matter, along with the Reliability and Supply Adequacy Phase 2 reform process.

Sincerely,



Rhyen Elshaug
Head of Onsite Business Development & Execution
Linde South Pacific
On behalf of BOC Ltd