

31 March 2020

Economic Regulation Authority
Level 4, Albert Facey House
469 Wellington Street
Perth WA 6000

Via email: Public.Submissions@erawa.com.au

Dear ERA

RESPONSE TO ISSUES PAPER ON PROPOSED REVISED ACCESS ARRANGEMENT FOR THE DAMPIER TO BUNBURY NATURAL GAS PIPELINE

NewGen Power Kwinana (NPK) welcomes the opportunity to provide comments on the issues paper entitled “Proposed revised access arrangement for the Dampier to Bunbury Natural Gas Pipeline” (Issues Paper), published by the Economic Regulation Authority (Authority) on 17 March 2020.

NPK were approached by AGIG in mid-2018 outlining their approach for engaging stakeholders. NPK expressed a desire to be involved in the proposed Shipper roundtable discussions to allow a deeper understanding of the regulatory building blocks and assumptions that AGIG were using to inform their Draft & Final Plan. Throughout the extensive program of Roundtable meetings, NPK representatives were active in providing feedback and receiving requested information from AGIG.

In addressing the Authority’s specific Issues as raised in the Issues Paper, NPK provide the following comments in relation to the engagement process:

Issue 1

- 1. Does DBP’s submission align with stakeholder expectations following the engagement program?*

With the 9 Shipper Roundtables, the ability for NPK to gain a deeper understanding of the underlying assumptions that made up the Draft Plan, and then the Final Plan as submitted to the ERA has aligned with the expectation that was set through the process.

The “surprises” were all presented early in the engagement process and worked through in detail such that NPK could ascertain the inputs that drive the Final Plan. NPK’s review of the Final Plan is in line with the expectation set through the engagement process.

- 2. Was DBP’s engagement program a useful approach for stakeholders to be actively involved in the development of the access arrangement submission?*

NPK would welcome a continuation of the engagement approach for future access arrangement programs as the benefit gained from the extensive consultation allowed for greater internal reporting capability within the organisation. Given the materiality of the 5 year access arrangement on the cost base of the business, it is critical for the business to understand the implications of the



NewGen Power

NewGen Power Kwinana Pty Ltd
ABN 52 116 827 546
As Agent for NewGen Power Kwinana Partnership

regulatory price and be able to communicate this effectively. This would have been much harder to achieve without the process undertaken.

A forum which also allowed Shippers to challenge and ask deeper questions on the assumptions was beneficial to propose alternate views of the future gas and electricity market which may impact demand on the pipeline.

Thank you.

Yours sincerely

Daniel Kurz
General Manager Trading, Commercial and Regulatory