

27 November 2023



Tyson Self  
Assistant Director – Gas  
Economic Regulation Authority  
Level 4, Albert Facey House  
469 Wellington Street  
Perth WA 6000

Sent via email: [publicsubmissions@erawa.com.au](mailto:publicsubmissions@erawa.com.au)

Dear Tyson

**PROPOSED REVISIONS TO THE MID-WEST AND SOUTH-WEST GAS DISTRIBUTION SYSTEMS ACCESS ARRANGEMENT – ISSUES PAPER**

The Chamber of Minerals and Energy of Western Australia (CME) is the peak representative body for the resources sector in WA. CME has member companies across the major gas usage categories of minerals processing, mining, electricity generation (both in the South West Interconnected System and elsewhere) and major industrial consumers.<sup>1</sup>

In support of our policy positions on climate change<sup>2</sup> and energy,<sup>3</sup> we support the delivery of a low emission, reliable and globally cost-competitive energy system in WA with net zero to be achieved as soon as possible but by no later than 2050. ATCO Gas Australia Pty Ltd's (ATCO) proposed sixth access arrangement (AA6) will help facilitate a pathway to decarbonisation in the short to medium term.

As such, we provide in-principle support to ATCO's proposed investment of \$26.4 million to facilitate the introduction of renewable gases into the distribution network over the period to 31 December 2029. Any investment proposed by ATCO should be reasonable and cost efficient, clearly aligning with the WA Government's Energy Transformation Strategy, Renewable Hydrogen Strategy, forthcoming Sectoral Emissions Reduction Strategies, and proposed Climate Change Bill 2023.

As the Issues Paper notes, there is increased uncertainty about the future use of natural gas and utilisation of pipelines in the long term. Any forecast of expected customer demand and renewable gas production that underpins network investment and its subsequent cost recovery should be appropriate and robust. We support consistency in demand forecasting between that used in AA6 and the Australian Energy Market Operator's multi-sector modelling.

While we support the recovery of capital and operating costs related to renewable gas distribution, we consider that recovery of investment costs related to renewable gas production is outside the scope of AA6.

Should you have questions regarding this letter, please get in touch with Aaron Walker, Manager – Industry Competitiveness and Economics, on [REDACTED] or at [REDACTED].

CME consents for this submission to be published to the Economic Regulation Authority's website.

Yours sincerely

[REDACTED]

**Adrienne LaBombard**  
Director, Policy & Advocacy

<sup>1</sup> WA Gas Bulletin Board domestic gas demand categories. Australian Energy Market Operator, 2022 WA Gas Statement of Opportunities, December 2022, p 25.

<sup>2</sup> CME, [Climate policy](#), published 5 October 2021.

<sup>3</sup> CME, [Energy policy](#), infrastructure position, published 28 September 2021.