

Notice

12 March 2024

Goldfields Gas Pipeline access arrangement 2025-29

Publication of issues paper

The ERA has published an <u>issues paper</u> to assist interested parties in preparing submissions on Goldfields Gas Transmission Pty Ltd's (GGT) proposed revisions to the Goldfields Gas Pipeline (GGP) access arrangement. Submissions are an integral input into the decision making process and will assist the ERA with its draft decision, which is expected to be published in August 2024.

The issues paper identifies several areas of interest, with comments being sought on some specific matters. The paper also provides an overview of the access arrangement review process and GGT's proposal in appendices as supporting background information.

The ERA's review of GGT's proposal is taking place in an environment of rapid and ongoing transformation of the energy sector. There is a strong focus on emissions reductions with a shift towards renewable energy, such as solar and wind. GGT's proposal notes this energy transformation and seeks to take some initial steps to prepare the GGP for this future. For example, GGT has proposed to accelerate the return of its assets over the access arrangement period to mitigate possible stranded asset risks.

GGT has proposed a 31 per cent increase in the toll charge, 66 per cent increase in the capacity reservation charge and 63 per cent increase in the throughput charge on 1 January 2025 with tariffs to remain flat for the other years in the period.¹ This makes it important for existing and prospective users of the pipeline to have a say now on the proposed gas tariffs and the services to be provided by GGT over this period.

GGT's proposal, including access arrangement information and other supporting documentation is published on the ERA website.

Background

On 21 December 2023, GGT submitted proposed revisions to GGP access arrangement for the fifth access arrangement period (AA5): 1 January 2025 to 31 December 2029.

The GGP is a 1,378 kilometre transmission pipeline that receives natural gas from offshore fields in the northwest of Western Australia. The pipeline begins at Yarraloola and extends to Kalgoorlie in the Goldfields-Esperance region. The 47 kilometre Newman lateral is also part of the pipeline.

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Tariffs will vary in the other years of the period in accordance with GGT's tariff variation mechanism which updates tariffs for actual inflation, the debt risk premium and cost pass-through events.

In June 2023, the Northern Goldfields Interconnect (NGI) commenced operations. The NGI is connected to the GGP approximately 40 kilometres south of Leinster and adds a third receipt point to the pipeline, which has the potential to add pipeline capacity. Additional capacity created on the GGP by the NGI is covered by the access arrangement.

The GGP is a regulated gas transmission pipeline and is required to have an approved access arrangement, which sets out the terms and conditions under which GGT will provide third party users access to the pipeline to transport and/or receive gas.

The ERA encourages interested parties to review the ERA's <u>Gas Access Arrangement Guideline</u> to further their understanding of the access arrangement framework and the procedures involved in undertaking this assessment of GGT's proposal.

Closing date for submissions

Interested parties have until Monday, 8 April 2024 to make their submissions.

Submissions can be lodged online at: www.erawa.com.au/consultation

Further information

General enquiries Media enquiries

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