Revised Final Plan
Attachment 13.3

Response to Draft Decision on Demand

August 2025

PUBLIC

Dampier Bunbury Pipeline

1 Response to Draft Decision on Demand

Our demand forecast forms a key element in determining our reference tariffs and is demonstrably subject to greater risk from market operation change, renewables and energy storage.

1.1 Overview

This attachment sets out our response to the ERA's Draft Decision on demand, in particular:

Required Amendment 2.1

DBP is required to amend the gas demand and Full Haul Equivalent (FHE) demand forecasts in its revised proposal to reflect the following:

- The ERA's forecast values as set out in Table 2.8 and Table 2.9 in Draft Decision Attachment 2.
- The ERA's determinations as outlined in paragraph 46 to 47 in Draft Decision Attachment 2.
- Any additional demand that DBP becomes aware of prior to the submission of its revised proposal.

Requirements noted in reference to [46] and [47] of the Draft Decision are;[1]

> *The ERA has not made adjustments to the contracted capacity forecast in the following circumstances;*
>
> - *Potential gas demand arising from shippers transitioning to renewable energy sources, particularly within the power generation and the mining sectors (paragraph 34 to 39).*
>
> - *Potential gas demand from shippers with new projects under active development, planned expansion of excising facilities, or an ongoing transition to natural gas as a primary energy source (paragraph 40 to 43).*
>
> *However, DBP is required to undertake further analysis and incorporate any reasonable projections for the contracted capacity in its revised proposal for these projects. The ERA will also evaluate the capacity requirements for these projects following the draft decision and will make any necessary adjustments to the contracted capacity forecast in the final decision.*

In our response below, we respond directly to the ERA's forecast demand, and then provide information, as requested, to underpin reasonable forecasts of additional demand. We also provide information about new demand that has emerged since the Draft Decision.

1.2 ERA Draft Decision

The ERA's Draft Decision includes an additional 4.15 TJ/d of capacity and 10.33 TJ/d of throughput in full haul equivalent compared to our Final Plan (compare Tables 2.4 and 2.9 of the Draft Decision) including:

[1] *ERA Draft Decision Attachment 2 [46] and [47].*

- Administrative corrections to capacity, kilometres and utilisation using information obtained from information requests.[2]
- Renewal of shipper's contracts in the gas distribution and power generation sectors.[3]
- Renewal of some contracts where DBP did not provide evidence that gas would no longer be required when existing contracts expire during AA6.[4]

Table 1-1 summarises these issues and the request for updates in the required amendment.

Table 1-1: Summary of ERA's Draft Decision on Demand

	ERA Draft Decision	ERA Comment
Demand forecast must be amended to reflect Tables 2.8 and 2.9 in the Draft Decision	Reject	The ERA supports DBP's use of committed and known contracted capacity, along with historical load factors and trends, to forecast throughput during AA6. It also considers potential new uncontracted capacity from anticipated projects and shippers should be included in the forecast.[5] The ERA considers it reasonable to assume that shippers in power generation and gas distribution whose contracts expire will renew their contracts as underlying demand is not declining, and it has made this assumption in its forecast.[6] The ERA accepts that some exclusions to this, where operations are under administration, production activities cease or where operations have been acquired by other shippers.[7] The ERA has made adjustments to DBP's Final Plan demand forecast based on updates to information since the Final Plan, contract renewals in power generation and gas distribution and some expiring contracts for which DBP has not provided sufficient evidence that they will not be renewed in its Draft Decision, but requires DBP to provide updates to demand based on shippers transitioning to renewable power and from new projects under active development and expanding existing projects as appropriate.[8]
DBP must adjust demand to reflect changes due to renewable demand and reasonable new projects	n/a	The ERA notes a shipper which has reduced firm service demand and increased non-reference service demand, apparently in anticipation of new renewable and storage capacity but requires DBP to provide more information about the consequences if renewable capacity is delayed, and more general information about gas supporting renewables.[9] Likewise, information about a mining customer intending to transition to renewable power should be considered in light of that customer maintaining gas demand to support this transition.[10] Excluding some uncontracted demand from new projects (or expansion of existing projects) is reasonable based upon project timing and investment status, but projects under active development and are expected to be commissioned during AA6, where expansions of existing projects are scheduled for AA6 or where customers are

[2] *ERA Draft Decision Attachment 2, p1, [45] and [48].*
[3] *ERA Draft Decision Attachment 2 [28] and [29].*
[4] *ERA Draft Decision Attachment 2 [30] to [33].*
[5] *ERA Draft Decision Attachment 2 [22] and [23].*
[6] *ERA Draft Decision Attachment 2 [28] and [29]. Note that in [32] the ERA notes that DBP has provided information about some contracts which are likely to be renewed, and in [33] it makes assumptions regarding other contract expiring during AA6.*
[7] *ERA Draft Decision Attachment 2 [31].*
[8] *ERA Draft Decision Attachment 2 [45] to [47].*
[9] *ERA Draft Decision Attachment 2 [36] and [37].*
[10] *ERA Draft Decision Attachment 2 [38] and [39].*

		partway through a process of transitioning to natural gas, this should be considered as part of the demand forecast.[11]
DBP must update demand forecasts to meet new demand emerging after the Draft Decision	n/a	The ERA notes that it has adjusted demand forecasts made in the Final Plan based on information provided by DBP subsequent to the Final Plan.[12]

1.3 Our Response to the Draft Decision

Table 1-2 summarises our response to the Draft Decision summarised in Table 1-1. We address the ERA's request for updates in Section 1.4 below.

[11] *ERA Draft Decision Attachment 2 [42] and [43].*
[12] *ERA Draft Decision Attachment 2 [45].*

Table 1-2: Summary of our response to the ERA's Draft Decision on Demand

Requirement	Issue	Our Response	Our Comment
Demand forecast must be amended to reflect Tables 2.8 and 2.9 of Attachment 2 in the Draft Decision. This contains three separate sub-elements as outlined in the column to the right.	Administrative corrections to Capacity, KMs, Utilisation	Modify	The ERA has identified corrections to these parameters that are incorporated into Tables 2.8 and 2.9 of Attachment 2 of the ERA's Draft Decision; some which we accept. The results of this assessment, among others, are in Section 1.4.1.
	ERA's renewal of expiring contracts	Accept	The ERA has assumed that several contracts due to expire in AA6 will be renewed and incorporated the additional demand into Tables 2.8 and 2.9 of Attachment 2 of the Draft Decision. We accept this. Details are provided in Section 1.4.2 as to the relevant amounts.
	Amending demand forecasts to reflect the figures in the Tables 2.8 and 2.9.	Reject	The ERA has requested updates be made to demand reflecting considerations in [37], [39] and [41-43] outlined below. Altering demand to reflect these considerations results in demand different to that set out in these tables. We therefore reject the application of the exact figures in these tables to comply with the ERA's requirements set out in these paragraphs.
Any additional demand that DBP becomes aware of prior to the submission of its revised proposal	Any additional demand that DBP becomes aware of prior to the submission of its revised proposal	Accept	We accept the ERA's requirement to update demand forecasts with any additional demand that DBP becomes aware of prior to submission of the revised proposal. The results of this assessment are contained in Section 1.4.3. We will continue to do so as new information becomes available up until the point of the Final Decision.
The ERA's determinations as outlined in paragraph [46] to [47] in Draft Decision Attachment 2.	This requires us to respond to requirements in [37] of Attachment 2 of the Draft Decision and address renewable energy/storage projects delay risks & gas-powered generation firming	Accept	We accept the ERA's requirement and address renewable energy/storage projects delay risks and outline the role of gas-powered generation firming and what it might do to demand in AA6. This assessment is contained in Section 1.4.4
	This requires us to respond to requirements in [39] of Attachment 2 of the Draft Decision and provide evidence of contract non-renewal	Accept	We accept the ERA's requirement and provide more information to reflect potential demand from a mining and minerals processing shipper identified by the ERA in [39]. The results of this assessment are contained in Section 1.4.5.
	[40-43] Uncontracted mining, energy and minerals processing demand assessment based on several sources.	Accept	We accept the ERA's requirement to assess new potential projects and new demand from existing projects which is currently uncontracted and have examined the sources listed. The results of this assessment are in Section 1.4.6.

Note: In this 'traffic light' table, green shading represents the acceptance, orange represents a modification, and red shading represents a rejection.

The results of our modifications to the ERA's Draft Decision are shown in the tables below. Table 1-3 shows the results in respect of TJ/d and Table 1-4 converts part and back haul TJs to their full haul equivalent so they may better be compared with full haul. Detail in respect

of the new information which has informed our new demand forecast is provided in Section 1.4 below.

Table 1-3: Reference service gas demand forecast for AA6 (TJ/d)

	2026	2027	2028	2029	2030
ERA Draft Decision (Table 2.8)					
Contracted Capacity					
Full haul	482.3	495.3	490.3	470.5	473.5
Back haul	273.9	270.8	253.8	257.8	257.8
Part haul	334.6	332.6	332.6	332.6	332.6
Total	**1,090.8**	**1,098.7**	**1,076.7**	**1,060.9**	**1,063.9**
Throughput					
Full haul	459.9	444.7	435.9	425.1	430.0
Back haul	155.9	155.3	142.9	146.8	146.8
Part haul	230.4	229.5	229.5	229.5	229.5
Total	**846.2**	**829.5**	**808.3**	**801.4**	**806.3**
Response					
Contracted Capacity					
Full haul	499.1	477.7	482.7	464.9	471.9
Back haul	334.6	332.6	332.6	332.6	332.6
Part haul	385.5	373.8	372.8	376.8	376.8
Total	**1219.3**	**1184.2**	**1188.2**	**1174.4**	**1181.4**
Throughput					
Full haul	429.1	434.0	444.6	432.0	438.8
Back haul	230.4	229.5	229.5	229.5	229.5
Part haul	249.2	243.5	242.5	246.5	246.5
Total	**908.7**	**906.9**	**916.6**	**907.9**	**914.7**

Table 1-4: Reference service full haul equivalent demand forecast for AA6 (TJ/d)

	2026	2027	2028	2029	2030
ERA Draft Decision (Table					
Contracted Capacity - FHE					
Full haul	482.3	495.3	490.3	470.5	473.5
Back haul	33.7	38.1	37.3	40.3	40.3
Part haul	32.4	32.4	32.4	32.4	32.4
Total	**548.4**	**565.8**	**560.0**	**543.2**	**546.2**
Throughput - FHE					
Full haul	459.9	444.7	435.9	425.1	430.0
Back haul	25.5	29.8	29.1	32.0	32.0
Part haul	22.7	22.7	22.7	22.7	22.7
Total	**508.1**	**497.2**	**487.7**	**479.8**	**484.7**
Response					
Contracted Capacity - FHE					
Full haul	499.1	477.7	482.7	464.9	471.9
Back haul	32.4	32.4	32.4	32.4	32.4
Part haul	33.4	37.8	37.0	40.0	40.0
Total	**564.9**	**547.9**	**552.2**	**537.3**	**544.3**
Throughput - FHE					
Full haul	429.1	434.0	444.6	432.0	438.8
Back haul	21.6	21.6	21.6	21.6	21.6
Part haul	25.1	29.5	28.7	31.7	31.7
Total	**475.9**	**485.1**	**495.0**	**485.3**	**492.1**

1.4 Details on demand forecast

This section is structured to address the following issue outlined in Table 1-2:

- Administrative Corrections to services included in our Final Plan and the ERA Draft Decision
- ERA's renewal of expiring contracts in either AA5 or AA6
- New demand since the ERA's Draft Decision

- Addressing renewable electricity sources and storage risk in the SWIS as requested in the [37] of Attachment 2 of the ERA's Draft Decision
- Request for evidence of contract non-renewal as requested in the [37] of Attachment 2 of the ERA's Draft Decision
- Uncontracted mining, energy and minerals processing demand assessment based on the:
    - Gas Statement of Opportunities 2024,
    - Department of Industry Science and Resources' Resources and Energy and Major Projects database[13]; and
    - DBP's outlook based on commercial intelligence as requested in [40-43] of Attachment 2 of the ERA's Draft Decision.

The net effect of all these adjustments is shown in Table 1-5.

Table 1-5: Summary – Revised Final Plan Difference to Draft Decision

TJ/d FHE	2026	2027	2028	2029	2030	Average
T1						
Capacity	16.8	-17.6	-7.6	-5.6	-1.6	-3.1
Throughput	-30.8	-10.7	8.7	6.9	8.8	-3.4
P1						
Capacity	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
Throughput	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
B1						
Capacity	0.0	0.0	0.0	0.0	0.0	0.0
Throughput	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0
Total System						
Capacity	**16.5**	**-17.8**	**-7.8**	**-5.8**	**-1.8**	**-3.4**
Throughput	**-31.1**	**-11.0**	**8.4**	**6.6**	**8.5**	**-3.7**

We close with a brief discussion of what we believe may be a process issue. In [47] of Attachment 3 of the Draft Decision, the ERA notes that:

> *However, DBP is required to undertake further analysis and incorporate any reasonable projections for the contracted capacity in its revised proposal for these projects. The ERA will also evaluate the capacity requirements for these projects following the draft decision and will make any necessary adjustments to the contracted capacity forecast in the final decision*

The ERA does not indicate how and when it will give us (or shippers) an opportunity to respond, on the ERA's consideration of potential new sources of demand. We would appreciate the ERA providing clarity on this key aspect of the process.

[13] *Department of Industry, Science and Resources, Resources and Energy Quarterly March 2025 (online) (accessed July 2025).*

1.4.1 Administrative Amendments

Through ERA information requests and our own subsequent review, the following amendments became evident. Note that these are not covered in Table 1-2 as they are not responses to particular requirements from the ERA (save to update information), but rather represent the results of a review of both our own information and the ERA's Draft Decision.

T1

The following is a result of our internal review of the information provided to the ERA as part of our Final Plan. We had factored two [redacted] relinquishments into the demand forecast data sent to the ERA:

- 30 TJ/d to be discontinued 30 September 2025 defined in our Final Plan confidential attachment 13.2 'Full Haul Contracted Evidence'; and
- 35 TJ/d to be discontinued in January 2026 based on discussions with Alcoa as outlined in our Final Plan confidential attachment 13.3 'Further Information on Demand'.

The Final Plan forecast submitted for [redacted] reflecting these relinquishments is shown in Table 1-6.

[redacted]

TJ/d	2026	2027	2028	2029	2030
[redacted]					

[redacted]

Initial Notice

[redacted]

Subsequent Notice

[redacted]

[redacted]

All the above is now reflected in our revised Final Plan.

Through ERA Information Request 11 the ERA identified an additional [redacted] of capacity and [redacted] throughput for [redacted] which the ERA added as an amendment to our Final Plan in its Draft Decision (see [45] of Attachment 2). We accept this amendment.

Table 1-7: T1 Administrative Amendments – Difference to Draft Decision

T1 TJ/d	2026	2027	2028	2029	2030	Average
Capacity	19.8	-10.6	-10.6	-10.6	-10.6	-4.5
Throughput	-27.9	-3.9	5.8	2.0	0.0	-4.8

P1

We accept the ERA's Draft Decision [redacted] amendment of the double counting of [redacted]

However, we have made a revision to the distance factor associated with this P1 contract in the ERA's Draft Decision. We have revised the kilometres on this contract from 150 KMs to 2.243 KMs as per the inlet minus outlet method employed by the ERA on other services and the DBP pipeline description.

Additionally, the ERA Draft Decision revised throughput upward on the following services:

[redacted]

While the consequences for the current Access Arrangement are not material, we do not to accept the ERA's utilisation method applied to these contracts on the basis that:

- it averages utilisation out across services then sets them all equal which detracts from the reality of the historical utilisation method the ERA thought reasonable when applied service by service;[14] and/or
- using 2024 actuals and 2025 forecasts for the services as the ERA indicated it had in correspondence yielded slightly different results in some case increasing the throughput higher than our Decision.[15]

[14] *ERA Draft Decision Attachment 2, [44].*
[15] *Email correspondence with ERA dated 4 August 2025*

The first point could prove problematic in future Access Arrangements, so we seek to correct it here.

The impact of all the administrative amendments applied to P1 above are outlined in Table 1-8.

Table 1-8: P1 Administrative Amendments – Difference to Draft Decision

P1 FHE TJ/d	2026	2027	2028	2029	2030	Average
Capacity	-0.528	-0.528	-0.528	-0.528	-0.528	-0.528
Throughput	-0.530	-0.530	-0.530	-0.530	-0.530	-0.530

B1

The ERA Draft Decision revised throughput upward on the following services:

[redacted]

The same issue regarding the utilisation method the ERA applied to P1 services above applies here to B1 which we do not accept and have corrected in the same way. The impact of all the administrative amendments applied to B1 above are outlined in Table 1-9.

Table 1-9: B1 Administrative Amendments – Difference to Draft Decision

B1 FHE TJ/d	2026	2027	2028	2029	2030	Average
Capacity	0.0	0.0	0.0	0.0	0.0	0.0
Throughput	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0

1.4.2 Renewal of Expiring Contracts

The ERA's Draft Decision modified our Final Plan to renew several P1 contracts that were expiring in either AA5 or AA6. This was the second of the three sub-elements associated with the demand numbers the ERA used in Tables 2.8 and 2.9 of Attachment 2 of the Draft Decision (the first being some administrative corrections discussed in the preceding section) which we make reference to in Table 1-2. In this section, we provide the detail underpinning our acceptance of the ERA's requirement.

We accept the extension of the [redacted] on the basis that it serves a shipper whose operations are likely to continue benefiting from this service. However, as noted above, we have amended the distance factor in the ERA's Draft Decision.

Several services relating to operations in the Goldfields were renewed including:

[redacted]

[redacted]

As these renewals were already included in the ERA's Draft Decision there is no change to these in our revised Final Plan.

1.4.3 New Contracted Demand

Since the release of the Draft Decision [redacted] have finalised their contract resulting in an additional [redacted] and [redacted] of throughput over the access arrangement. [redacted] have entered into a P1 contract beginning 1 July 2025 and expiring 30 July 2026 for [redacted]. The revised Final Plan has been updated to include this new demand in contracts.

Table 1-10: New Contracted Demand – Difference to Draft Decision

TJ/d FHE	2026	2027	2028	2029	2030	Average
T1						
Capacity	-3.0	-7.0	3.0	5.0	9.0	1.4
Throughput	-2.9	-6.8	2.9	4.9	8.8	1.4
P1						
Capacity	0.002	0.000	0.000	0.000	0.000	0.0003
Throughput	0.001	0.000	0.000	0.000	0.000	0.0002
B1						
Capacity	0.0	0.0	0.0	0.0	0.0	0.0
Throughput	0.0	0.0	0.0	0.0	0.0	0.0

1.4.4 Power Generation - renewable electricity sources and storage risk

Nature of the Risk

In Attachment 2, [36] and [37] of its Draft Decision, the ERA require DBP to address two key concerns: the potential risks of delays in commissioning new renewable electricity and electricity storage projects during AA6, and the continuing importance of gas power generation in maintaining system reliability by supplementing intermittent renewable sources. The key issue here is the consequences of different parties bearing the risks, based upon whether they are or are not included as uncontracted firm service demand.

We acknowledge that risks exist in respect of commissioning new generation projects which can come from grid connection bottlenecks resulting from queuing policies and limited electricity transmission planning.[16] Oakley Greenwood undertook a report for the Australian Energy Council in early 2024 which identifies three major issues affecting generation connection in WA:

- a grid connection process that is slow (up to five years) and inefficient, with only 5% of applications progressing[17];

[16] *See, for example, discussion here.*
[17] *Oakley Greenwood. (2024, February 12). Bottlenecks affecting generation development in WA: Final report. Australian Energy Council, available here, , pp. 5, 13–15*

- misalignment between connection prioritisation and electricity transmission planning, exacerbated by Western Power's first-in, first-served approach[18]; and
- a lack of credible, coordinated electricity transmission planning, with conflicting forecasts between the SWISDA and WOSP undermining investor confidence.[19]

We are aware steps are being taken to address this issue, but they are still in the planning phase and so remain a material risk to connection of renewable and other generation projects which will impact gas-power generation demand.[20]

In addition, various market commentators highlight issues around wind projects facing supply chain disruptions, particularly for critical materials like steel and rare earths, with geopolitical tensions amplifying import vulnerabilities.[21]

Conversely, there is a substantial pipeline of large-scale electricity storage concurrent with a Federal and State residential battery rebate scheme subsidising up to 100,000 batteries over the next five years of which the timing of deployment is uncertain.[22] This could lead to renewable electricity coming online much more quickly than is incorporated in our forecasts.

The above are examples of source of renewable electricity, electricty storage projects and renewable intermittency which can both increase or decrease gas demand during AA6.

These risks can materialise in different ways. For example, the existing gas fleet may not be dispatch as much as the GSOO forecasts imply across AA6 if coal operations are extended or re-commissioned.[23] Substantial operational coal capacity is still connected to the network while new energy projects face connection difficulties as outlined above.

Battery storage potentially enhances the economic viability of the coal fleet reducing the need to ramp down or dispatch at negative prices.[24] While we are expect coal closures will happen as planned, the risks of deferred coal closure are well evidenced in the eastern states.[25]

New gas-powered generation projects face similar equipment supply and grid connection constraints to renewables. Australia has also seen multiple instances of gas-powered generation units facing financial challenges resulting in mothballing of existing facilities.[26] This is another factor potentially leading to less gas dispatch than the GSOO forecasts imply through AA6.

Including uncontracted, higher risk gas-powered generation demand forecasts further increase downside risk to demand and revenue, where it doesn't materialise as expected. [redacted] ompared to uncontracted gas-powered generation demand [redacted]

[18] *Ibid, pp. 14–16, 22*
[19] *Ibid, pp. 6, 21–22*
[20] *Available here:*
[21] *Available here and here*
[22] *Available here, here and here:*
[23] *See here and here, p.13 and p.16.*
[24] *Sarunac, N, et al, 2024"Energy Storage Improves Power Plant Flexibility and Economic Performance", Energies, 17(11), 2775. Available here, p.2 and p.20*
[25] *See here, here, and here, p.9*
[26] *See here, here, here and here.*

The key issue in discussing these risks is the consequences associated with the different ways of treating the relevant risks as they emerge. That is, if more uncontracted demand is included in forecasts of firm services than has been contracted and that demand does not emerge versus the consequences if the uncontracted demand is not included in firm service forecasts and it does emerge.

As a pipeline, the DBNGP has high fixed costs, which do not scale well with unforeseen realisations in full haul equivalent demand based on distance, capacity, throughput and term because they are incurred over the long term and do not vary significantly with unexpected, shorter-term changes in these factors. Uncontracted forecasts would have to take a well justified position on the factors used to calculated full haul equivalents.

By contrast, if the demand is not included in reference service forecasts and it does eventuate, shippers have several options. They can, for example:

- Seek spot capacity.
- Seek non-reference services which are more flexible.

These options allow the risk to be managed much more flexibly than we can manage the converse risk of demand that is in our reference service forecast not eventuating as anticipated. For this reason, we consider that, on the basis of risk being allocated to those best able to manage it, speculative demand associated with renewables and their deployment in serving SWIS demand, should not be included in firm service forecasts.

The Access Arrangement manages upside revenue from realised uncontracted demand through the rebateable services mechanism discussed in Chapter 3 on Revenue and Tariffs, as shippers use these services, if demand emerges above that which they have already contracted.

For this reason, the consequences of the uncontracted demand either emerging or not emerging on ourselves and shippers, and the tools each of us have to manage these risks, we have not included any additional uncontracted demand in our firm service forecasts. We recognise the risks the ERA notes, but we do not consider that the best way to deal with them is to add extra, uncontracted demand into firm service forecasts.

1.4.5 Evidence of contract non-renewal

In [39] of Attachment 2 of the Draft Decision, the ERA made reference to the non-renewal of contracts by a shipper due to that shipper's decarbonisation plans and asked us to re-examine this shipper. Here we provide the detail of that re-examination.

We undertook research to find evidence that the shipper in question would not renew. Closer inspection on the nature of the shippers' operations and their corporate plans to decarbonise them have led us to conclude that the contract will be renewed. The following details are sourced from public records but redacted to protect the identity of the shipper.

[redacted]

We believe this proposition would be challenging and costly to achieve within the AA6 timeframe and so have extended the contract.

Table 1-11: Renewing Shipper – Difference to Draft Decision

P1 TJ/d FHE	2026	2027	2028	2029	2030	Average
Capacity	0.000	0.000	0.003	0.003	0.003	0.002
Throughput	0.000	0.000	0.002	0.002	0.002	0.001

1.4.6 Uncontracted Capacity - Mining, Mineral Processing and Industry

In [40] to [43] of Attachment 2 of the Draft Decision, the ERA has required DBP to include reasonable forecasts of gas transportation demand for projects under active development, planned facility expansions, and sectors transitioning to natural gas. There is a specific requirement from the ERA in [41] about which information sources we need to examine. The ERA then explains why it considers it reasonable to include uncontracted demand (in [42]), before concluding in [43] that we need to look at projects under "active development" (new projects expected to be commissioned during AA6), planned expansions of existing projects, and cases where projects where a transition to natural gas is in progress.

The first two cases the ERA notes in [43] of Attachment 2 of its Draft Decision (new projects and existing projects which may expand) are mixed together in the information sources it asks us to look at in [41]. Our assessment of these is structured around information sources, and so, for each relevant project, we identify whether it is new or existing. This is covered under the first sub-heading below. The second sub-heading covers cases where a transition to natural gas is in progress.

New projects under active development and expansions of existing projects

To address this requirement outlined in the first two dot points of [43] of Attachment 2 of the ERA's Draft Decision, we have assessed projects outlined in the 2024 Gas Statement of Opportunities, the latest Department of Industry Science and Resources' Resources, Energy and Major Projects database released in 2024 and incorporated DBP views on demand which may be contracted during AA6 based on other commercial intelligence, as per the requirements of [41].

Note that our focus in this section is on firm reference service demand. In many cases, new projects, before they have ramped up to full operations, start their relationship with us by taking out something more flexible, like an Other Reserved Service (which is rebateable), moving to firm service once their demand is much clearer. This helps them mitigate risk. This is likely to be the case in AA6 as well.

[27] *Available here:*

Gas Statement of Opportunities 2024

Table 1-12: Gas Statement of Opportunities 2024

Company	Project	Status
Covalent	Kwinana lithium hydroxide	Existing and Complete
Iluka	Rare Earths Refinery Eneabba	Existing and Complete
De Grey Mining	Hemi Gold	Pre-FID
Liontown Resources	Kathleen Valley Lithium Project	Existing and Complete
Mineral Resources	Ken's Bore iron ore operation expansion	Existing and Complete
	Wodgina lithium mine	Existing and Complete
Perdaman	Karratha Urea	Existing and Almost Complete
Lynas	Kalgoorlie Rare Earths Processing Facility	Existing and Complete
	Mount Weld Mine Phase 2 expansion	Existing and Complete

Source: AEMO Gas Statement of Opportunities 2024 page 31

The projects in Table 1-12 were addressed in response to the ERA's information requests. We highlighted that [redacted] projects are likely to use existing contracts with [redacted] which the ERA has accepted. We agreed that the [redacted] was likely to result in a [redacted] contract which the ERA has included in its Draft Decision. Our revised proposal includes [redacted] of demand for [redacted] and [redacted] of demand for [redacted].

The following projects were not included:

- [redacted]
- [redacted]
- [redacted].

Department of Industry Science and Resources Energy and Major Projects 2024

The Resources Energy and Major Projects 2024 database listed 201 projects in Western Australia. We considered only those with a 'Completed' status because it indicates greater readiness to receive gas.

From these, we focused on projects with an existing meter station or a reasonable likelihood of completing one within the next access arrangement period. Meter stations on transmission pipelines require significant investment and lead time for:

- approvals, planning, and procurement of long-lead items; and
- financial analysis, securing funding and evaluating alternatives including power purchase agreements (PPAs).

We note a growing uptake of PPAs in hybrid and renewable projects supported by diesel or LNG storage for reliability. These arrangements reduce emissions and avoid costs associated with offtake infrastructure, gas supply, and transport agreements.[28]

Projects already covered in the GSOO analysis we provided with our Final Plan have been excluded. This reduces the list down to the following seven projects shown in Table 1-13.

Table 1-13: Resources Energy and Major Projects (REMP) 2024 Shortlist

Company	Project	
Golden Spur Gold	Bellevue Gold Project	Existing and Complete
Genesis Minerals Limited	Ulysses	
Mineral Resources Ltd	Ashburton Hub/Onslow Iron Ore Project	Existing and Complete
Galena Mining	Abra Lead-Silver Project	Existing and Complete
Pilbara Minerals	Pilgangoora P680	Existing and Complete
Sheffield Resources/Yansteel	Thunderbird (Stage 1)	Existing and Complete

Source: Department of Industry Science and Resources and Major Projects 2020 Database

The ERA's Draft Decision had already included [redacted] discussed in 1.4.2.

Although the [redacted] mine operation in [redacted] is listed as a new project in the REMP it is an existing project in operation since [redacted] Since this is not a new source of demand, we have not included it in our forecasts.[29] [redacted] and [redacted] use LNG storage.

The [redacted] project is likely to use an existing contract with [redacted] which is in the Draft Decision forecast.

The changes from adding [redacted] and [redacted] to our demand forecasts are shown in Table 1-14.

Table 1-14: Uncontracted Capacity GSOO and REMP 2024 – Difference to Draft Decision

P1 TJ/d FHE	2026	2027	2028	2029	2030	Average
Capacity	0.247	0.247	0.247	0.247	0.247	0.247
Throughput	0.054	0.054	0.054	0.054	0.054	0.054

Existing industrial facilities transitioning to natural gas

This covers the third and final dot point in [43] of Attachment 2 of the ERA's Draft Decision.

With respect to the existing [redacted], we have not received any requests for additional capacity. The facilities conversion of [redacted] is

[28] See examples here
[29] See here.

progressing slower than anticipated and with the [redacted] very likely delayed until AA7.