Gas Networks 2050

Access Arrangement

Customer Forum 5

Sunday 23 July 2023

Acknowledgement of Country

We acknowledge the Traditional Owners of the lands upon which we operate and recognise their continuing connection to land, waters, and culture.

We pay our respects to their Elders past, present, and emerging.

Pictured: artwork by Aboriginal artist Chern’ee Sutton from Mount Isa for our Group’s Reflect Reconciliation Action Plan

Our session today

Topics we will cover:	Duration (6.5 hours)	Timing
Section 1: Let's get started	*25 mins*	9.30
What's today about? Let's warm up. What have you been thinking about overnight?		
Section 2: Revisiting some evaluation questions and identifying the trade-offs	*50 mins*	10.00
Do our evaluation questions still feel right?	15	
What trade-offs do we need to consider as we set the responses?	35	10.20
Morning tea	*15 mins*	*10:45*
Section 3: Setting the responses	*125 mins*	11.00
Poster presentations and group work		
Lunch	*30 mins*	*13.05*
Section 4: drafting recommendations	*55 mins*	13.35
Afternoon tea	*15 mins*	*14.30*
Section 5: final drafting, wrap up	*75 mins*	15.45
Close		**16.00**

Purpose

1. Revisiting the evaluation questions
2. Responses – identifying balances
3. Setting the responses
4. Drafting initial recommendations

What’s today about?

Shaun Reardon

Executive General Manager Networks

Jemena

Let’s warm up!

Instructions:

- What have you been thinking about overnight?
- Get into pairs and share some thoughts.

Jemena

Do our evaluation questions still feel right?

Instructions:

- Questions from yesterday have been written up and handed out
- Volunteers to read out the evaluation questions!
- Turn to your partner and discuss if they still seem right?
- L-scale activity on the questions.
- Looking for 80% live with it and above. (consensus).

Jemena

Setting the scene

Shaun Reardon

Executive General Manager Networks

Jemena

Reminder: the remit

Australia is transitioning to net zero carbon emissions by 2050. We see a role for Jemena Gas Networks in the transition and beyond 2050. However, there is more and more uncertainty in the energy sector, and cost of living pressures and energy prices are rising.

We want to adapt and take action now so we can create our future, but we need the support of customers to do this.

Can we do this in a way that is fair for customers over the next five years, and beyond, whilst managing uncertainty and remaining affordable in the future?

Jemena

Let’s go back to the ‘quadrants’ or ‘scenarios’

War-time effort, with ambitious policies for net zero and rapid decarbonisation, supported by customers

Scenario 1: Electric Hare

Decarbonisation is supported by strong government policy driving electrification across industry and residential customers, with limited use of green fuels for hard to abate sectors

Scenario 2: Big Hydrogen

Government policy support underpins a hydrogen export economy with a renewable gas target and certification, subsidies, and tax-offsets, driving down the cost of hydrogen production

Biomethane focus limited to gas-dependent users and Hydrogen is a niche product.

Renewable gas penetration

Market led vs Government led

Biomethane is a stepping stone to the Hydrogen mass market.

Scenario 3: Electric Tortoise

Residential customers slowly electrify and industrial users transition to biomethane, as hydrogen remains not commercially viable. Transition is market-led and is less centrally coordinated

Scenario 4: Market Hydrogen

A near-term technological breakthrough driven by the market results in renewable gases becoming competitive with electrification, creating a diverse energy mix.

Policy is outcomes-based and low intervention, with a focus on economic affordability. Decarbonisation is driven by the market.

Let's explore the Electric Tortoise scenario

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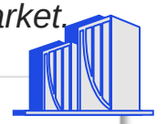

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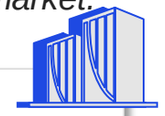

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Small group activity

- Consider the quadrants from yesterday
- Discuss in small groups.
- What do we need to consider to strike the right balance?
- What questions do you have for the Jemena team in the next activity?

Balances might include:

Customer impact:
Haves vs have nots

Pay: All pay vs some pay

Time: Now vs future

Benefit: All vs some

Jemena

Morning tea – back at 11.15am

Response options

Jemena workstream leads

Jemena

Keep moving towards renewable gas

Brent Davis

Senior Business Development Manager

Renewable Gas team, Jemena

Customer values: Planning for our future, choice, environment, fairness, reliability and affordability

Jemena

International settings for renewable gas

United States

Biomethane:
- 2,300 sites producing biogas across 50 states
- Primary pathway: landfill gas collection

Hydrogen:
- Comprehensive policy and funding support introduced in IRA 2022 paves way for US to become the global leader in renewable energy production and export
- Total of US$369bn funding and tax credits earmarked to support energy security and transition

United Kingdom

Biomethane:
More than 80 biomethane plants connected to the grid
- Green Gas Certification Scheme,

Hydrogen:
- Low-carbon hydrogen production capacity ambition of 10GW by 2030
- Launched policy consultation and funding rounds (from £240m) to support hydrogen development.

Latin America

Biomethane:
- Holds ~20% of global bioenergy potential

Hydrogen:
- Significant renewable hydrogen potential harnessing world class and low-cost solar, wind and hydro resources

Middle East & North Africa

Hydrogen:
- Significant renewable hydrogen ambitions among various member countries, with individual and collective national hydrogen strategies (e.g. Saudi Arabia, Oman, UAE, Egypt, Africa Green Hydrogen Alliance).
- Harness region's substantial renewable energy resources and location as gateway between key EU and Asian markets

Europe

Biomethane:
- 20,000 biogas plants in Europe - 10,000 in Germany alone
- >20% biomethane in Denmark's gas networks and >11% in Italy

Hydrogen:
- Key pillar of EU decarbonization and energy security strategy – target of 65% system demand from renewable hydrogen by 2030.
- Policy frameworks and dedicated funding mechanisms under implementation

Asia

Biomethane:
- Holds ~30% of global bioenergy potential
- Policies support household digesters in rural China

Hydrogen
- Leading region in the development of renewable hydrogen production and equipment manufacturing capacity (India, China)
- Leading region in the development of global hydrogen supply chain – investing heavily in import infrastructure, transport and storage technologies (Japan, Korea)

Source: https://www.iea.org/energy-system/low-emission-fuels/hydrogen

What is happening in Australia

Australia

Biomethane:
- Looking to recognise biomethane under the guarantee of Origin
- Australia's Bioenergy Roadmap

Hydrogen:
- Federal Hydrogen Guarantee of Origin Scheme
- Hydrogen Head Start Program $2bn in hydrogen projects
- 10% Hydrogen blend in Natural Gas recognised under the Natural Gas Law Q4 2023

Western Australia

Biomethane:
- 9 biogas projects

Hydrogen:
- Hydrogen blending project ATCO into the AGIG network
- $110M state government investment into Hydrogen projects

Queensland

Biomethane:
- 83 biogas projects majority combustion heat to power

Hydrogen:
- Queensland Hydrogen Industry Strategy 2019-2024
- Over $15M in state government funding for hydrogen projects

South Australia

Biomethane:
- 24 biogas projects all creating electricity through CHP

Hydrogen:
- $593M in government funding for hydrogen production

Victoria

Biomethane:
- 87 biogas projects all creating electricity through CHP

Hydrogen:
- Hydrogen Park Murray Valley – Blending Hydrogen
- Hydrogen House in Victoria

New South Wales

Biomethane:
- First grid connected Biomethane plant (Malabar)
- GreenPower Renewable Gas Certification Scheme
- 87 biogas projects all creating electricity

Hydrogen:
- Western Sydney Green Hydrogen Hub blending hydrogen into the Jemena Network
- NSW Hydrogen Strategy with over $150M hydrogen funding
- Renewable Fuels Scheme development

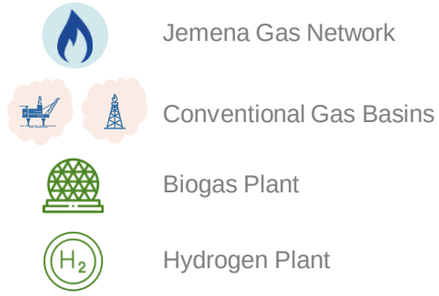
Gas supply now and into the future

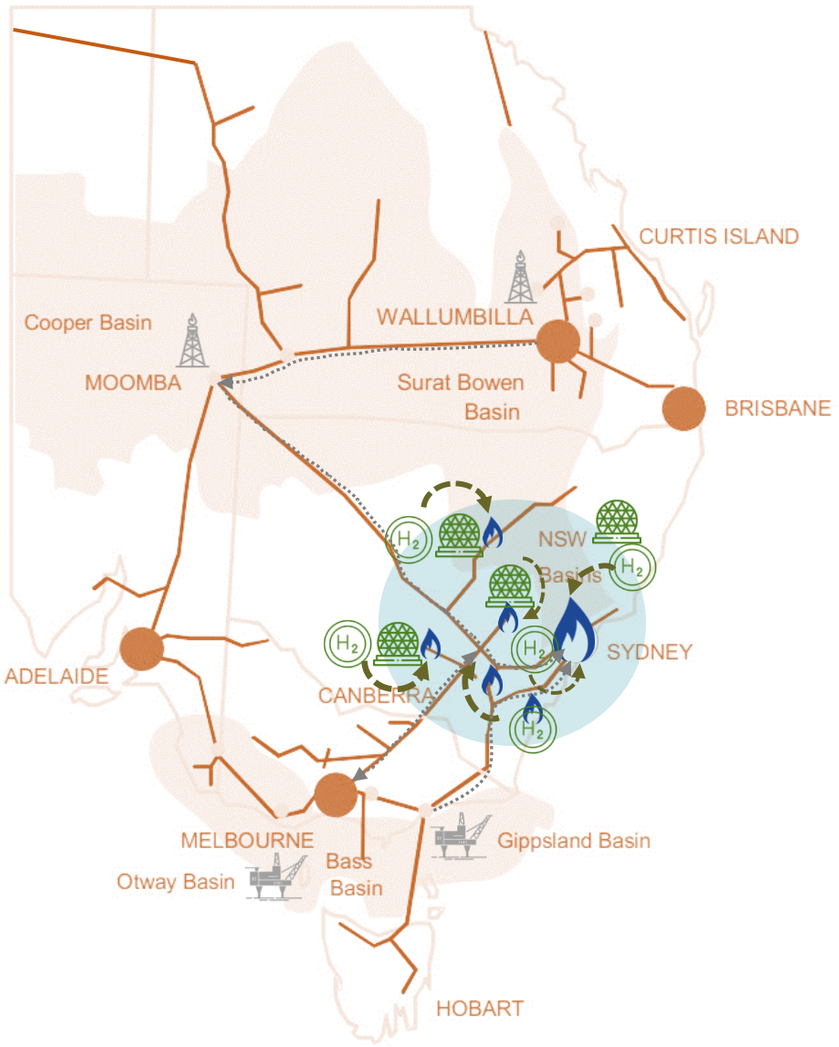
Current State

Gas has come from a few, very large gas basins which are a long way from where we use our gas, being supplied by large transmission pipelines.

Future Potential

Gas could be sourced from a decentralised network of local smaller-scale renewable gas production facilities.

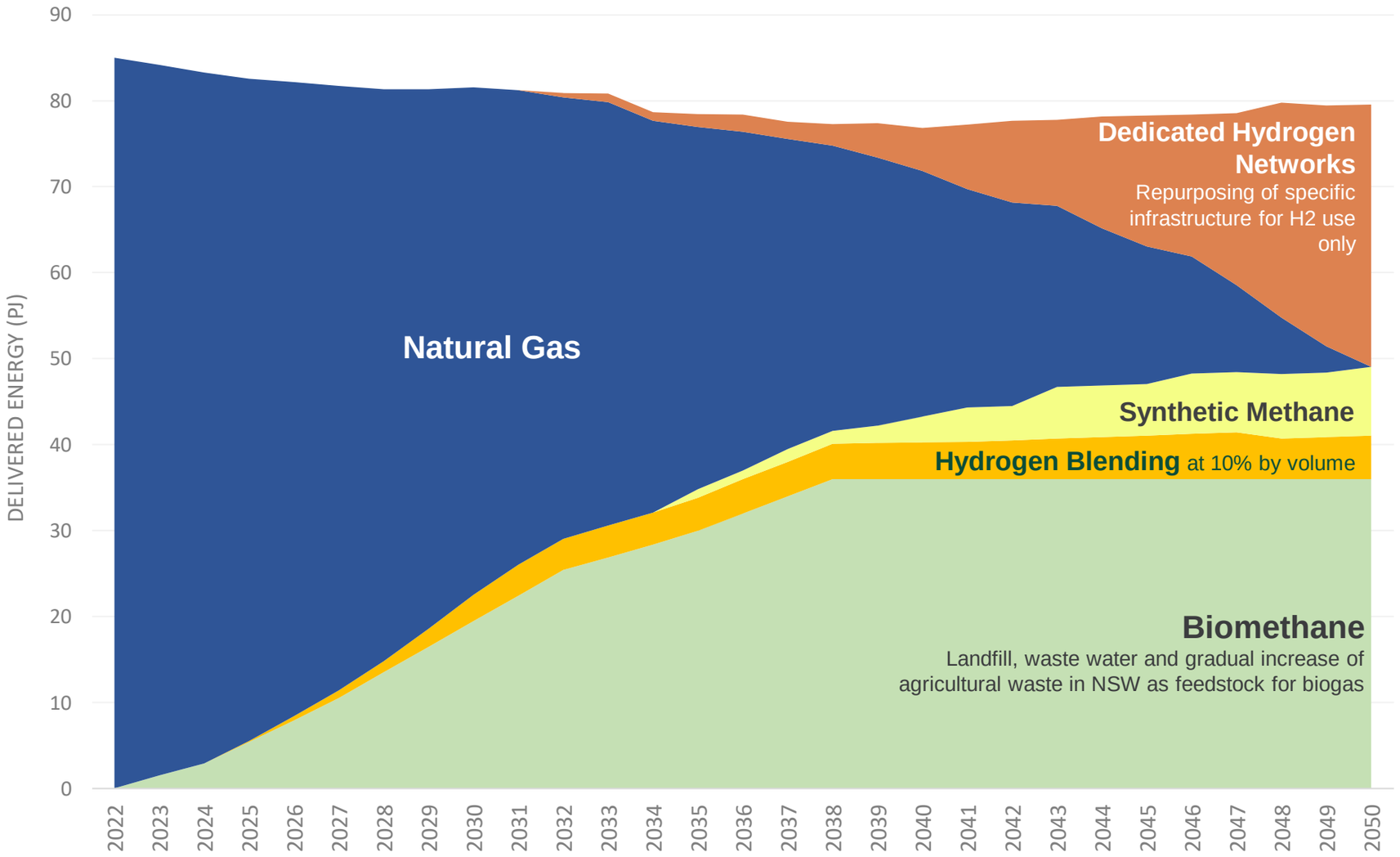




Potential pathway to lower emissions

By attracting renewable gas into the gas network we can lower the emission of gas use

Example of a blend of renewable gas in the gas network



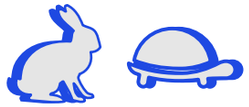
Indicative only

The scenarios most optimistic about renewable gases are Big Hydrogen and Market Hydrogen

Government policy support underpins a hydrogen export economy with a renewable gas target and certification, subsidies, and tax-offsets, driving down the cost of hydrogen production

A near-term technological breakthrough driven by the market results in renewable gases becoming competitive with electrification, creating a diverse energy mix.

Regulatory response slider



electrification future on its own

Renewable Gas connections in the future

electrification working with renewable gases

	DO NOT pursue any renewable gas connections	**SUPPORT** renewable gas connections	**EXPEDITE** renewable gas connections
Renewable gas blend	None	**~10%** renewable gas blend by 2030	**~20%** renewable gas blend by 2030
Electrification	Households may need to electrify earlier	Some households may delay electrification	Some households may delay electrification
Customer retention	Customer numbers may decline over time more quickly	More customers are retained on the gas network	More customers are retained on the gas network
Reliability in regional areas	No change to gas supply reliability in regional areas	Gas supply reliability in regional areas slightly improved	Gas supply reliability in regional areas slightly improved
	Bill impact, 2025-30	Bill impact, 2025-30 $3 a yr	Bill impact, 2025-30 $6 a yr

If significant numbers of customers leave the gas network, bills may increase

Managing Jemena’s financial risk through accelerating capital recovery

Jerrie Li

Senior Regulatory Advisor

Jemena

Customer values: affordability, planning for our future and fairness

Coffee shop parable:
Making coffee under uncertainty

Every **7 years**, you invest **$7,000** in a new coffee machine

La Pavoni Commercial Volumetric 2 Group Espresso Machine

You sell **200 cups** of coffee per year…
at **$5 per cup.**

Each year, you get **$1,000** in revenues
($5 X 200 cups)

It takes **7 years** to recover your coffee machine.
($1,000 X 7 years)

However, the government has announced that:

- There may be phasing out of coffee in the future
- Some people think coffee is unhealthy which is starting to gain momentum via social media and published expert reports!

Demand for your coffee will start declining in the next 7 years. How do you price your coffee after the government announcements?

Situation without government announcements							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Price per cup of coffee	**$5**	**$5**	**$5**	**$5**	**$5**	**$5**	**$5**
Coffee cups sold (demand)	200	200	200	200	200	200	200
Cost recovered	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000

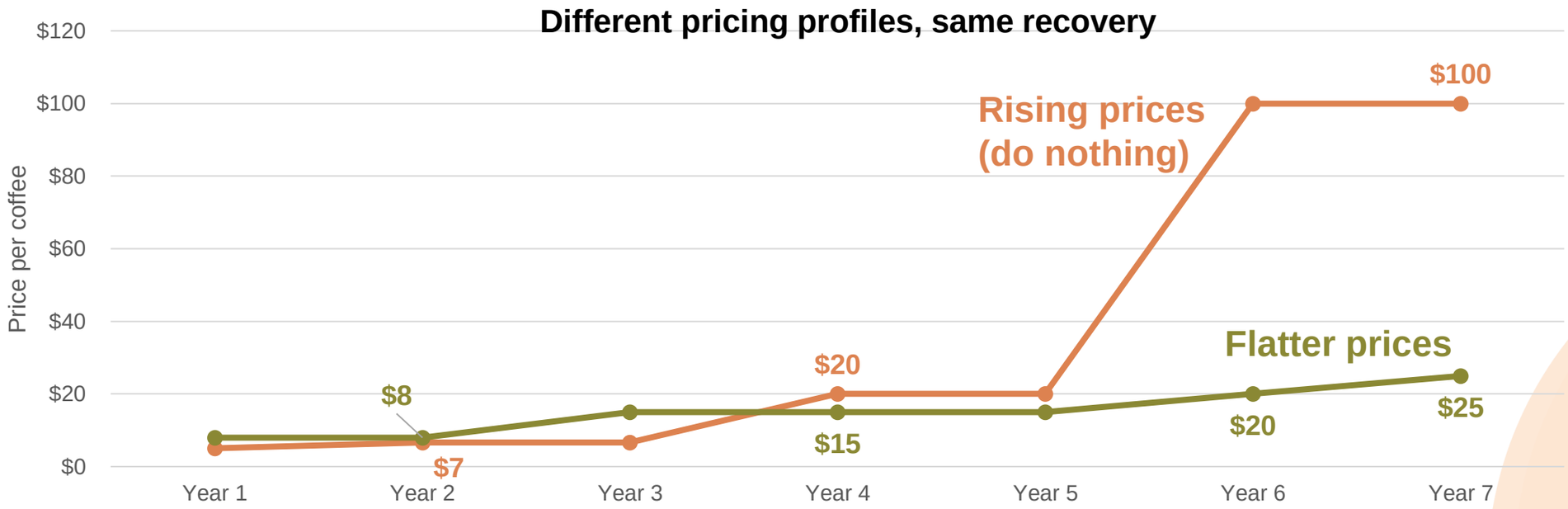
Total cost recovered in 7 years: **$7,000**

Pricing your coffee under uncertainty

How would you price your coffee in the future?

What are the considerations?

$7,000



Do nothing to address declining demand							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Price per coffee	**$5**	**$7**	**$7**	**$20**	**$20**	**$100**	**$100**
Coffee cups sold (demand)	200	150	150	50	50	10	10
Cost recovered	$1k	$1k	$1k	$1k	$1k	$1k	$1k
Total cost recovered in 7 years: **$7,000**							

Increase prices by a little right now							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Price per coffee	**$8**	**$8**	**$15**	**$15**	**$15**	**$20**	**$25**
Coffee cups sold (demand)	200	150	150	50	50	10	10
Cost recovered	$1.6k	$1.2k	$2.3k	$0.8k	$0.8k	$0.2k	$0.3k
Total cost recovered in 7 years: **$7,000**							

Delivering gas under uncertainty

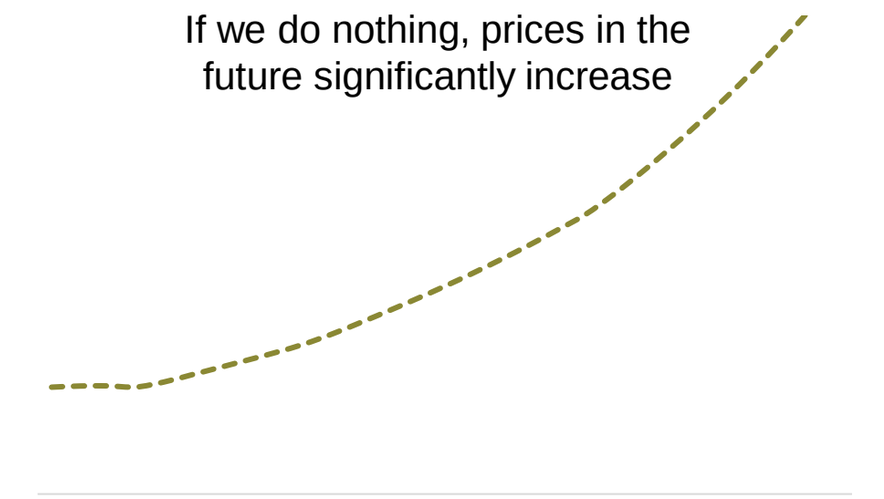
In the transition to net zero, the gas network faces similar issues to the coffee shop.

However, managing the gas network under uncertainty has some added complications…

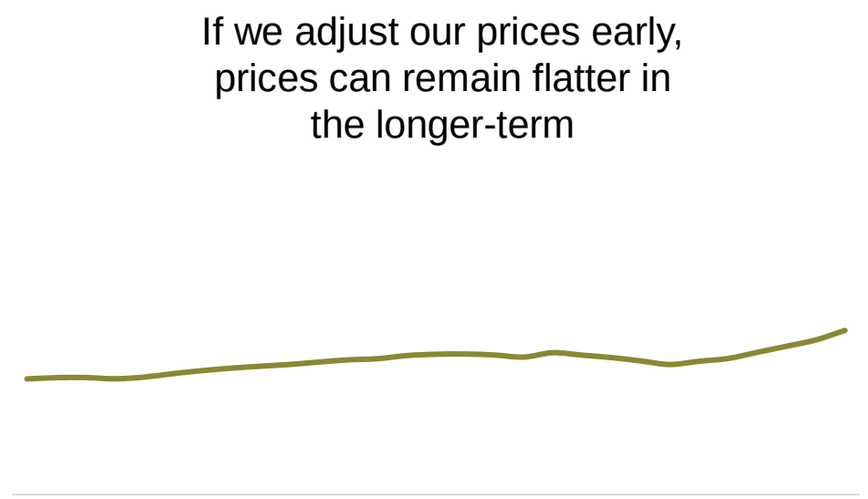
There is significant uncertainty in future gas demand

Even with minimal investment, our asset base continues to grow due to long asset lives

If we do nothing, prices in the future significantly increase



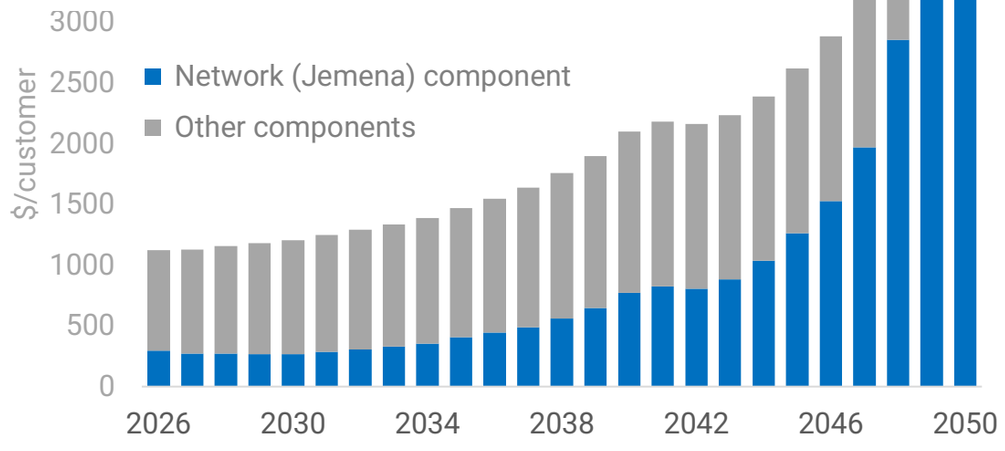
If we adjust our prices early, prices can remain flatter in the longer-term



Doing nothing means higher future bills

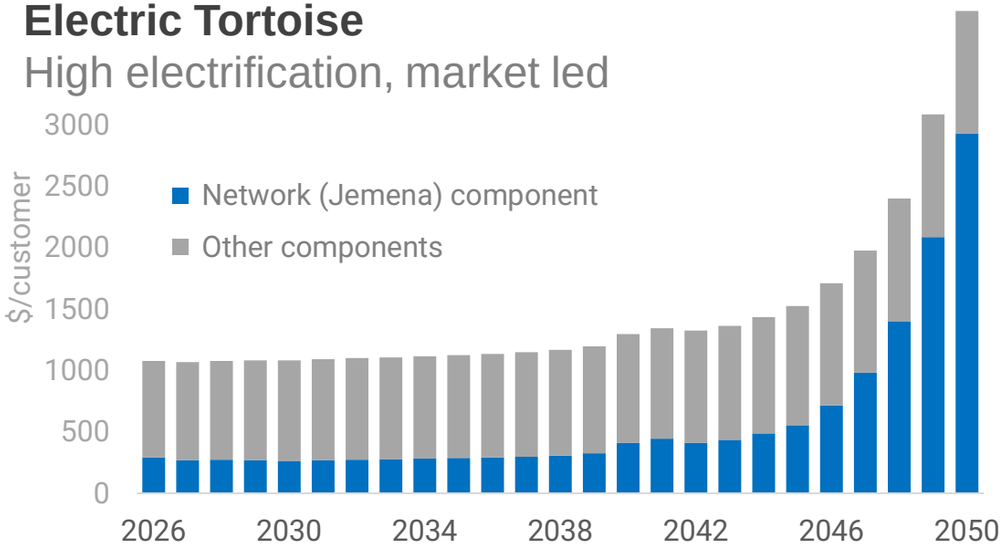
Electric Hare

High electrification, govt. led



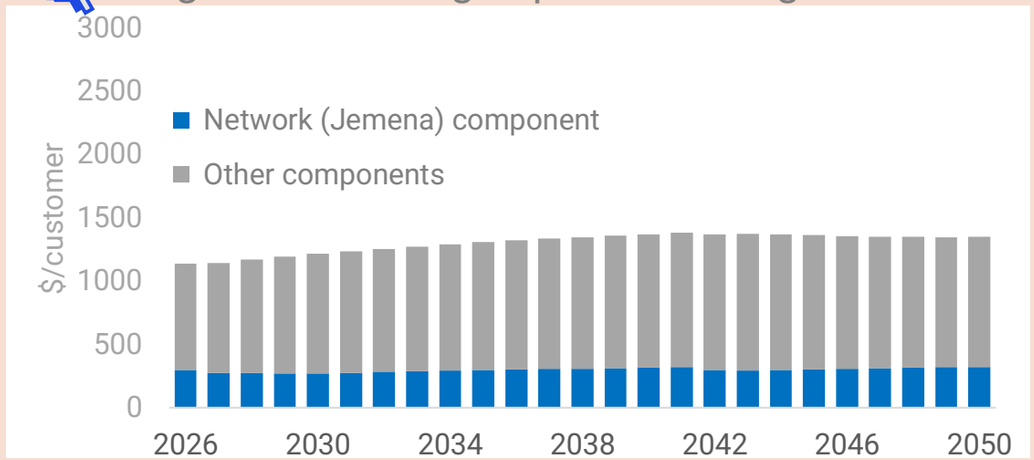
Electric Tortoise

High electrification, market led



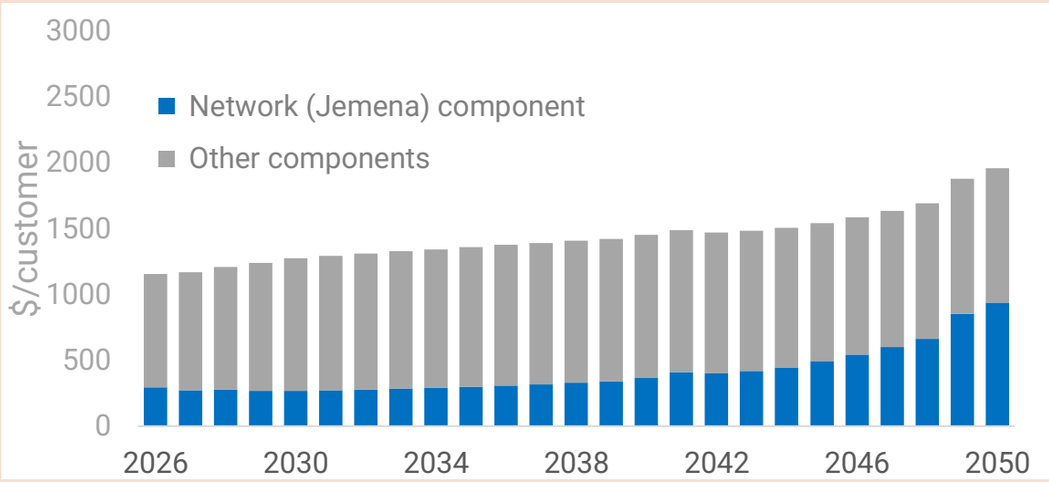
Big Hydrogen

High renewable gas penetration, govt. led



Market Hydrogen

High renewable gas penetration, market led



Regulatory response slider

Accelerate capital recovery in 2025-30:

	$300M (9% asset base)	**$500M (15% asset base)**	**$700M (21% asset base)**
2026-30 Bill impact (increase in bills)	↑ **$25-30** p.a. **($125-150** 5yr**)**	↑ **$35-45** p.a. **($175-225** 5yr**)**	↑ **$50-70** p.a. **($250-350** 5yr**)**
2031-45* Bill impact (decrease in bills)			
Electric Hare	↓ **$30-100** p.a. **($150-500** 15yr**)**	↓ **$45-130** p.a. **($675-1,950** 15yr**)**	↓ **$65-145** p.a. **($975-2,175** 15yr**)**
Big Hydrogen	↓ **$12-20** p.a. **($180-300** 15yr**)**	↓ **$25-40** p.a. **($375-600** 15yr**)**	↓ **$45-70** p.a. **($675-1,050** 15yr**)**

**Note: The period 2046-50 is excluded here as the 2 electrification scenarios have very high bill shocks due to low demand*

How we manage our assets

Shahab Mian

Asset Management AA Stream Lead

Jemena

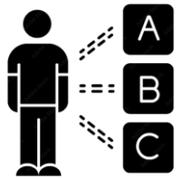
Customer values: Affordability, reliability, planning for our future, and environmental

Managing your assets

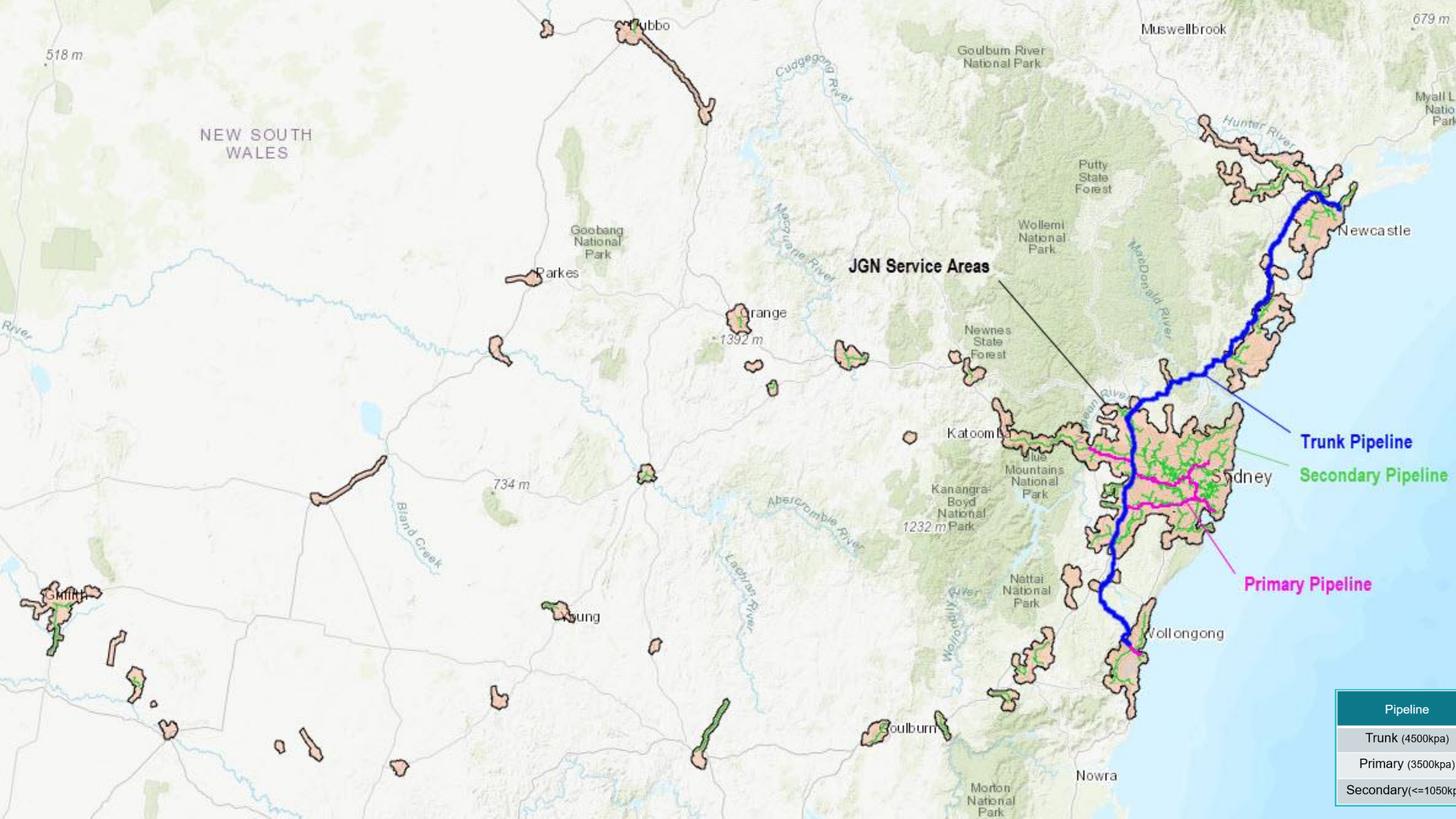
Your Network and its associated assets

Managing the Network | Safety, Reliability and Efficiency

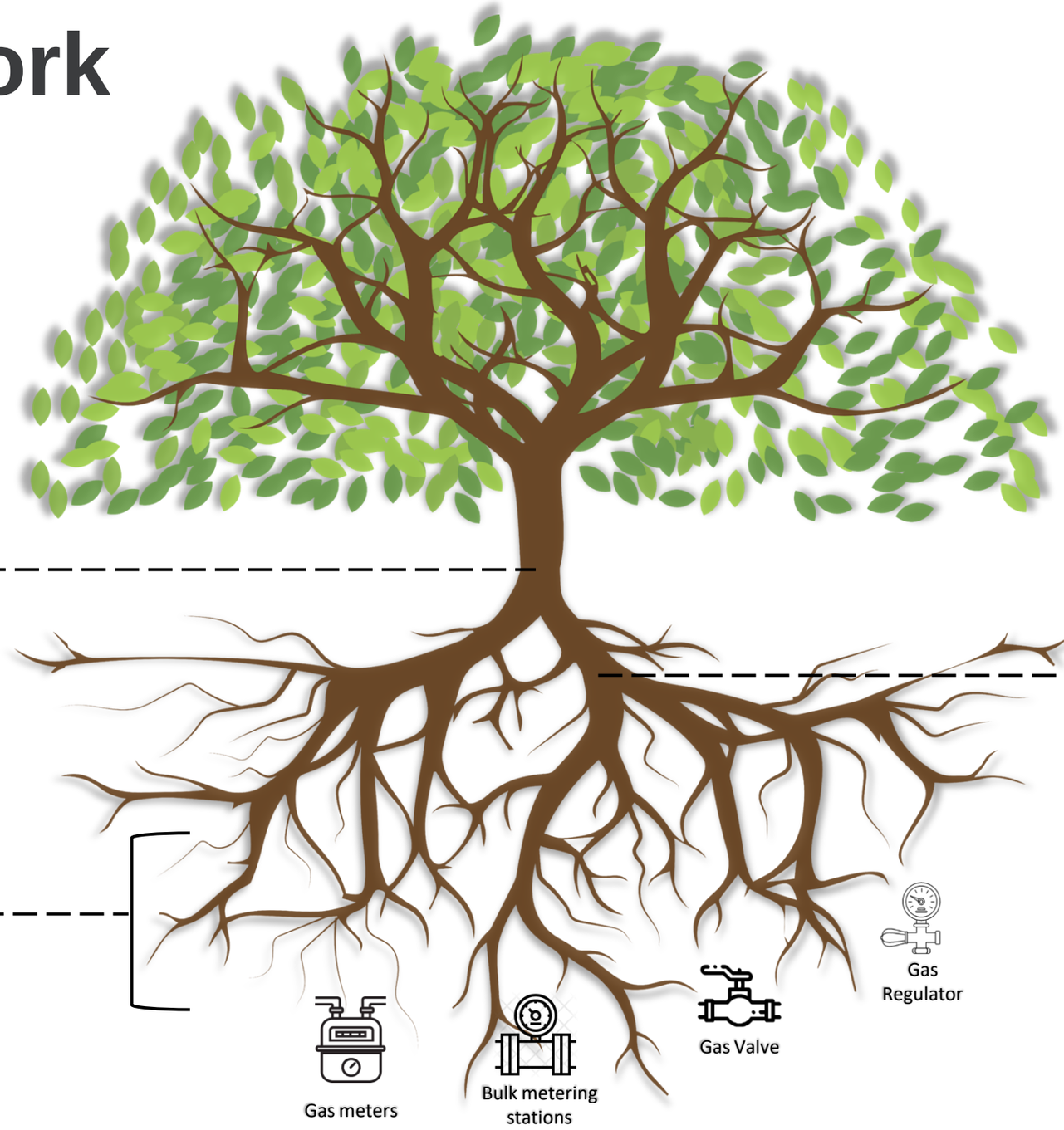
Capex v Opex | Replacing and Maintaining Network

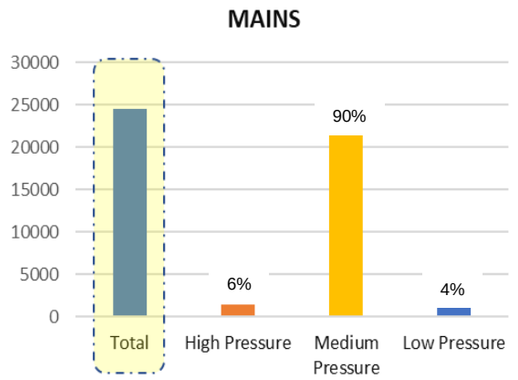


Options around Asset rehabilitation approach & linking to future scenarios


JGN Service Areas
Trunk Pipeline
Secondary Pipeline
Primary Pipeline
Pipeline
Trunk (4500kpa)
Primary (3500kpa)
Secondary(<=1050kp
NEW SOUTH WALES
Dubbo
Parkes
Orange
Newcastle
Muswellbrook
Sydney
Wollongong
Nowra
Goulburn
Griffith
Young
Katoomba
Goulburn River National Park
Wollemi National Park
Putty State Forest
Newnes State Forest
Blue Mountains National Park
Kanangra-Boyd National Park
Nattai National Park
Goobang National Park
Morton National Park
Macquarie River
Cudgegong River
Hunter River
MacDonald River
Nepean River
Abercrombie River
Lachlan River
Bland Creek
Wollondilly River
518 m
679 m
1392 m
734 m
1232 m

Your Network





Capex v Opex |
Replacing and Maintaining Network

CAPEX

Capital Expenditure (Capex) can be likened to purchasing a car. When you decide to buy a car, you make a one-time investment to acquire the vehicle.

OPEX

Operating Expenditure (Opex) is ongoing costs. These expenses occur regularly and are necessary to keep the car running. i.e. fuel costs, servicing and repairs.

Trade-Offs

- One Off $ Cost
- Ongoing $ Cost
- Emissions
- Leaks
- Reliability
- Optionality
- Risk / Safety

Managing your network |
Safety, Reliability and Efficiency

Safety & Compliance

To ensure as a gas operator we comply with relevant safety standards and regulations.

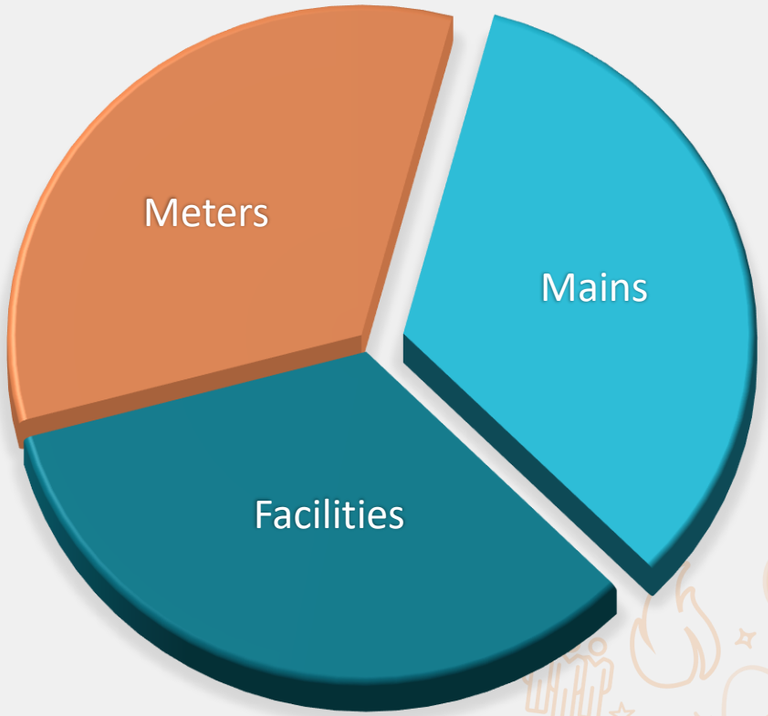
Integrity & Reliability

Address defects and damage on the gas assets to make sure they are appropriate for their intended purpose.

Efficiency

To improve the network's operating efficiency by reducing operational costs related to leaks and repairs.

Asset Replacement Program



Associated Activities

Exposed Mains
Shallow Mains
Rehabilitation
Washaways
Relocations

Approach | Mains Rehabilitation

As we do today

We identify leakages via **foot surveys** of JGN's network.
Undertaken over a five year cycle, or via **publicly reported** leaks.

On identification of too many leaks, we **replace** the whole part of the network.
Giving the main a **new life (30-50yrs).**
This also enables us to utilise the network in the **future.**

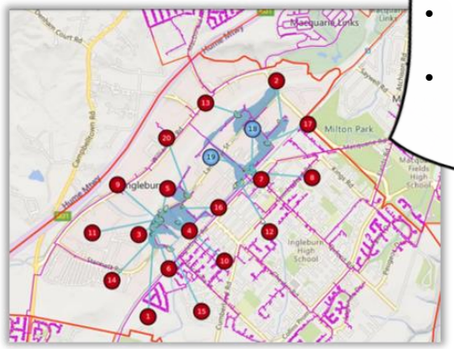
With use of technology

Picarro – our gas leak detection car

Using **technology**, it will enable us to pin-point leaks rather than estimating location/size of leaks.

This helps in **targeting** the specific part of the part of the network. This also enable us to **identify the areas of emissions.**

Picarro international experience shows 20% of leaks account for 80% of emissions



Sample – Ingleburn

- Surveyed **976km** across 24 suburbs
- Identified total **5700 tCO2e emissions**
- **24 Large leak** locations (1.3%)

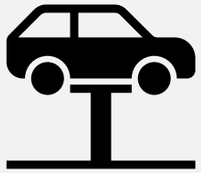
Options | Mains Rehabilitation Approach

Option A

Market Hydrogen

Maintain current asset rehabilitation program

Option B



Big Hydrogen

Electric Hare

Defer current rehabilitation program for 5 years to wait for certainty about the future of gas with short term maintenance impacts

Option C

Electric Tortoise

Targeted rehabilitation to reduce long-run capex. Medium to Long term will continue to attract some maintenance & repairs

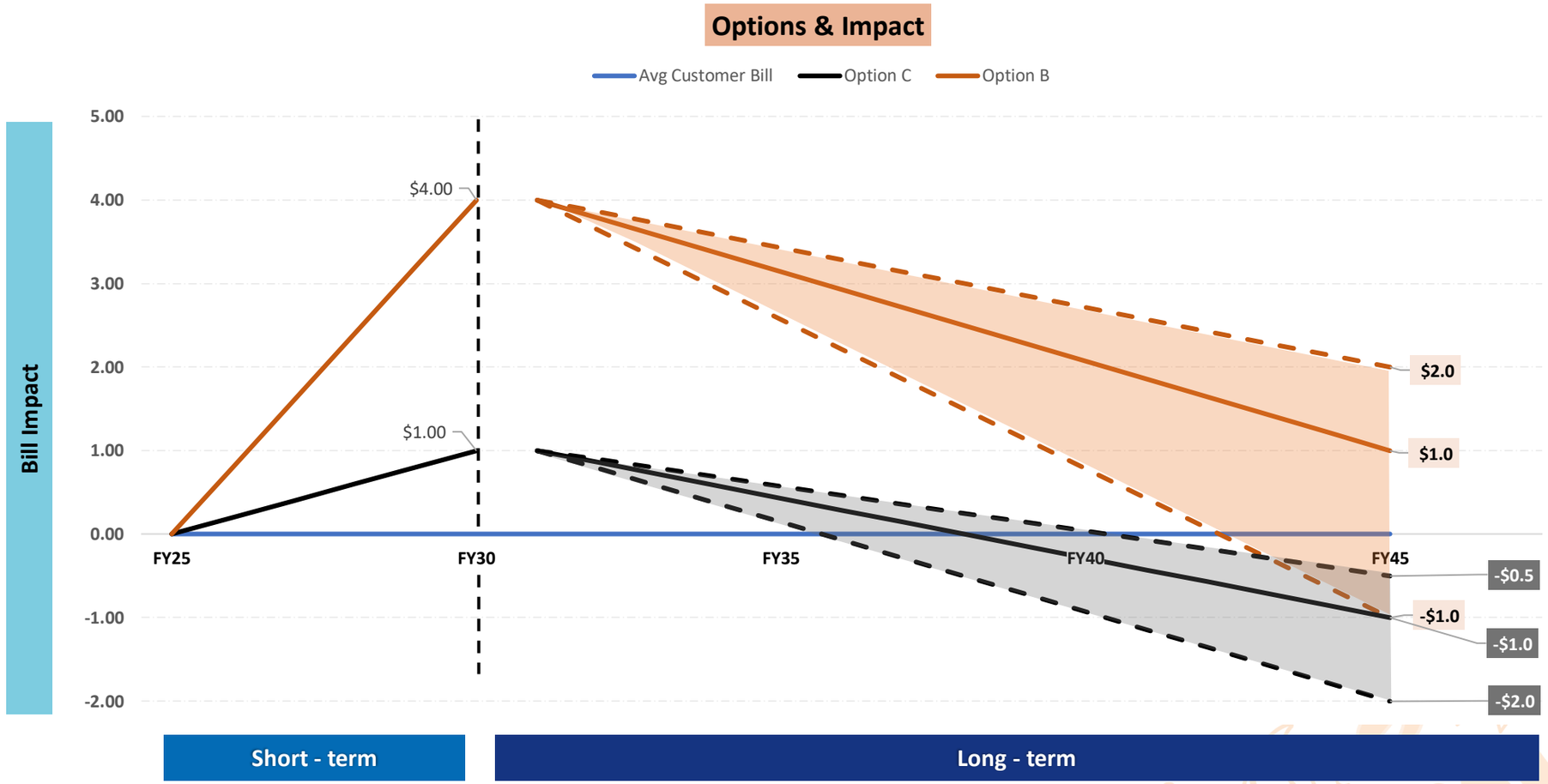
Current rehabilitation plan		
Key Areas	**Short-term** FY25-FY30	**Long-term** FY31 & Beyond
Capex $	⇔ Baseline	
Opex $	⇔ Baseline	
# of leaks reduced	Most	Most
Maintaining service level	Most	Most

Defer rehabilitation for 5 years		
	Short-term FY25-FY30	**Long-term** FY31 & Beyond
Capex $	⇩ $ 50M	⇔ Baseline
Opex $	⇧ $ 10M	⇔ Baseline
# of leaks reduced	Least	Least
Maintaining service level	Least	Least

Targeted rehabilitation plan		
	Short-term FY25-FY30	**Long-term** FY31 & Beyond
Capex $	⇩ $ 10M	⇩ $ 2M / Yr
Opex $	⇧ $ 1M	⇧ $ 0.2M /Yr
# of leaks reduced	Median	Median
Maintaining service level	Median	Median

<u>Note:</u> For all options we will repair assets when required for safety reasons

Bill Impact | Across Options



Option A - Current

Average Bill

Option B - Defer

Bill impact, 2025-30	$4 a yr
Bill impact, 2030-50	$2 to -$1 a yr

Option C - Targeted

Bill impact, 2025-30	$1 a yr
Bill impact, 2030-50	-$0.5 to -$2

Managing Jemena's financial risk through a new approach to connections

Alban Delpey

Commercial Manager – Gas Distribution

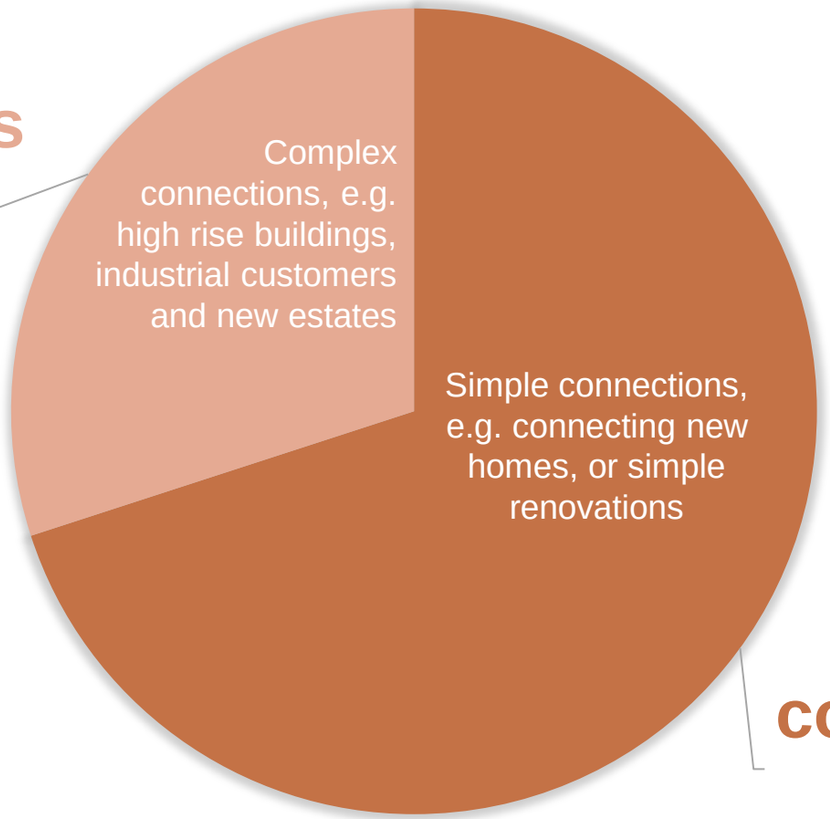
Jemena

Customer values: Planning for our future and fairness

Connecting to our network

Most new connections are **basic connections**

negotiated connections 30%



basic connections 70%

Split of new connections: basic vs negotiated

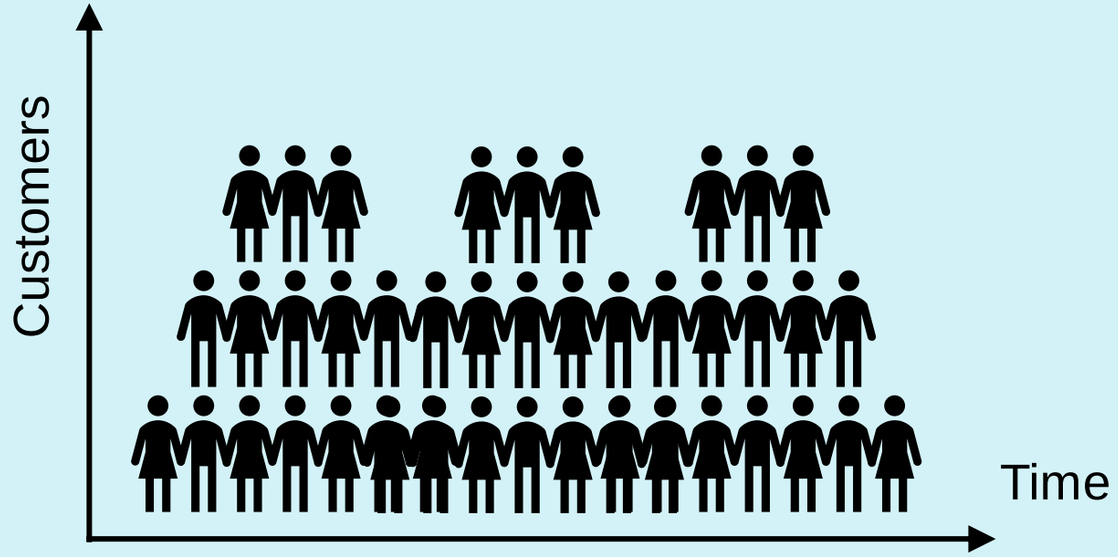
Connection charges

Connection charges

We are allowed to charge an upfront amount that allows us to “break even”

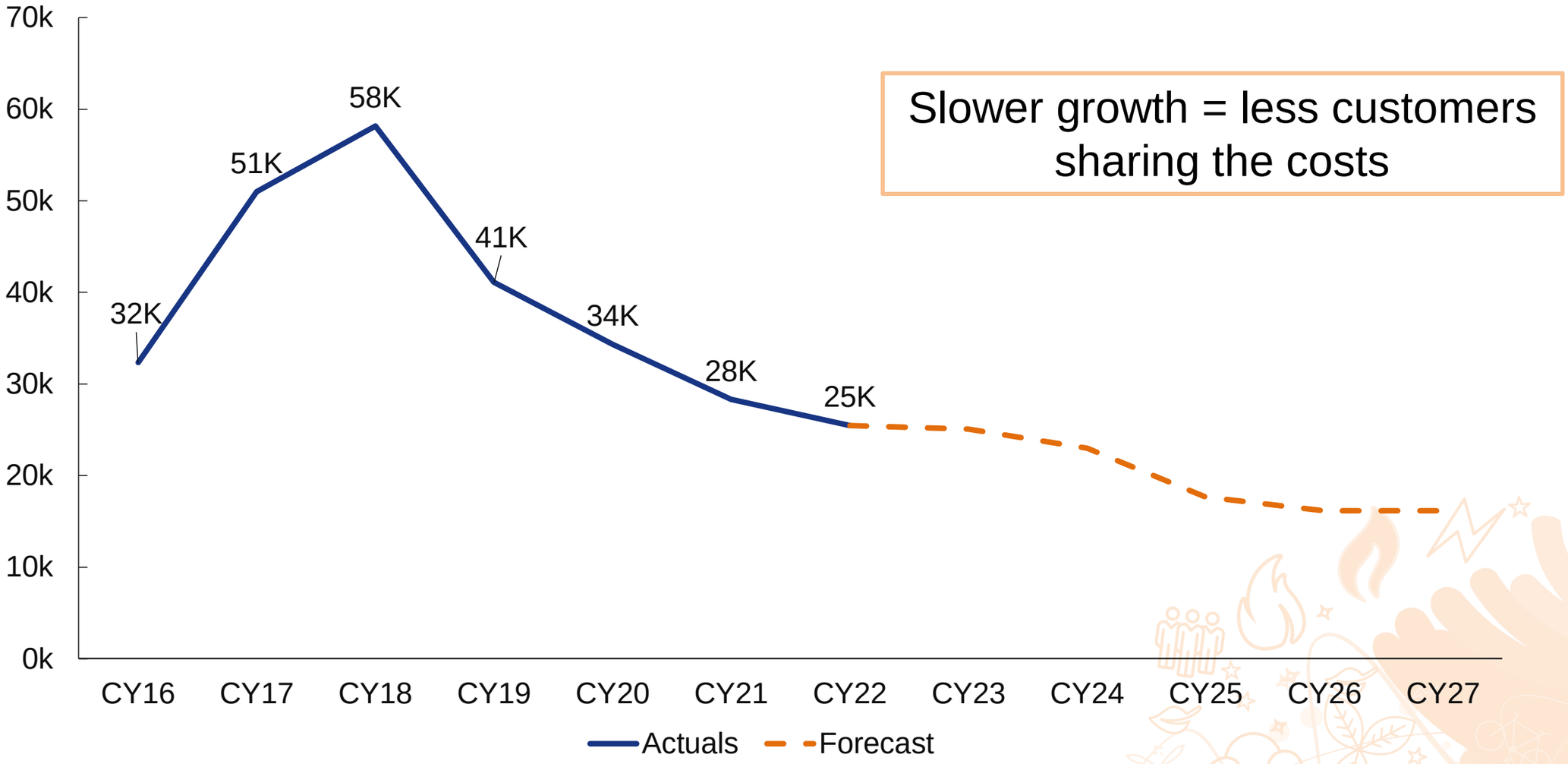
The amount we charge for a new connection must not exceed the difference between our costs and revenues derived

Currently, the cost of new connections is recovered over many years, across the customer base



This method of **sharing** costs is what enabled us to **keep connection charges low**.
More customers means that our fixed costs are spread over a larger customer base.

New connections growth



Slower growth = less customers sharing the costs

Regulatory response slider

In the context of current uncertainty about the future role of our network, should we reconsider our current approach to how we charge for connections?

Should costs be largely spread across the customer base or should new customers pay a greater portion upfront?

-$0.07 -$0.13 -$0.20

Low contribution upfront

Large portion of costs of each new connection **shared** by broad customer base

Medium

SOME costs are shared across customers

High contribution upfront

Small portion of costs of each new connection **shared** by broad customer base

These bill impacts do not account for changes in new connection numbers that could result from customers choosing not to connect because of higher contribution charges. If less customers connect, our costs will need to be shared across a lower customer base potentially resulting in higher bills.

Supporting Vulnerable Customers

Anson An

Strategy Manager, Customer and Commercial

Jemena

Customer values: Affordability and fairness

Understanding vulnerability

We have worked with our customers, communities and internal stakeholders to understand what vulnerability means for Jemena.

‘*Consumers experiencing vulnerability*’ refers to circumstances that mean a person may be less able to protect or represent their interests, engage effectively and/or are more likely to suffer detriment. This includes having insufficient capacity to pay for energy use.

Australian energy consumer overview

Vulnerability is a complex topic, entailing a range of characteristics and causal factors which may be permanent or transient.

1 in 5
National Debt Helpline callers with energy issues experiencing mental health problems

34%
of households are more concerned about paying their energy bills than they were prior to COVID-19

63%
of Jemena customers find energy bills and usage information confusing

1 in 10
Jemena gas and electricity customers often struggle to pay their energy bills

2x
More disposable income is spent by low-income households on energy than average-income households.

30%
of Australians have savings equivalent to or less than one month's income, leaving them just a few paychecks away from financial hardship

Who supports customers experiencing vulnerability?

The NSW Government and energy retailers can play a bigger role for households facing energy bill stress, because of their direct contact with customers.

Non-exhaustive

Government

National Energy Price Relief Plan including coal price cap and Commonwealth temporary gas price cap.

NSW Energy Rebate Support

NSW Government National Energy Bill Relief Fund

Retailer

“Power On" program to help customers manage their energy use and bills and making debt collection and disconnection the last resort.

"Staying Connected" that offers payment plans, bill smoothing, and other support to customers experiencing financial hardship.

“National Hardship Policy“ provides assistance to customers facing financial difficulties and having trouble paying their energy bills.

Network

A **Vulnerable Customer Program** provides assistance to customers who may be at risk of disconnection or experiencing financial hardship. Customers must meet certain criteria, such as being on a low income, having a medical condition that requires electricity, or experiencing financial hardship due to unforeseen circumstances.

‘Priority Service Program’ including services such as a dedicated customer support team, advice on efficient usage, support for CALD communities.

Vulnerable Customer Program offers a range of services and assistance to eligible customers to help them manage their energy bills and access additional support where needed.

How has Jemena supported customers experiencing vulnerability?

Jemena continues to play a pivotal role in supporting vulnerable customers and communities. The following highlights some of the key initiatives undertaken to date.

Voices for Power 'Train the Trainer' Project (NSW)

546 participants trained in 2022

Uniting Energy Assist Program

85 appointments in FY 21-22

Bring your bill days (VIC)

Ca. 160 customers p.a

Aboriginal Workforce Mentoring Program

350+ aboriginal job seekers across the NT supported to date

Community Grants Program

21 grants awarded

Sponsorships and donations

21+ organisations in 2022

Energy Charter #BetterTogether - Knock to Stay Connected (Trial)

Energy Charter #BetterTogether - Cost of Living Initiative

Potential focus areas

Non-exhaustive

Awareness	Accessibility	Action
Building a network of support for customers experiencing vulnerability	More accessible language	Single point of contact
Education program	Enhanced social media presence and greater visual information	Priority support for customers experiencing vulnerability
Supporting to build resilient communities	Support hub	Cross utility programs

Regulatory response slider

Vulnerable Customer Strategy and Programs

When customers get into trouble, or when customers are in a vulnerable situation, what role should the gas distribution network play in supporting customers in vulnerable circumstances?

Maintain the current level of support

Do more

Assuming a spend of $500,000 per year across Jemena, the indicative bill impact per customer in 2025-2030 is 30 cents per year.

Customer values: Affordability, Fairness

Rolling Out Digital Metering

Reagan Lobo

Interval Meter Data Manager, Customer and Commercial

Jemena

Customer values: planning for the future, fairness, reliability

Jemena

Gas residential and small business meters

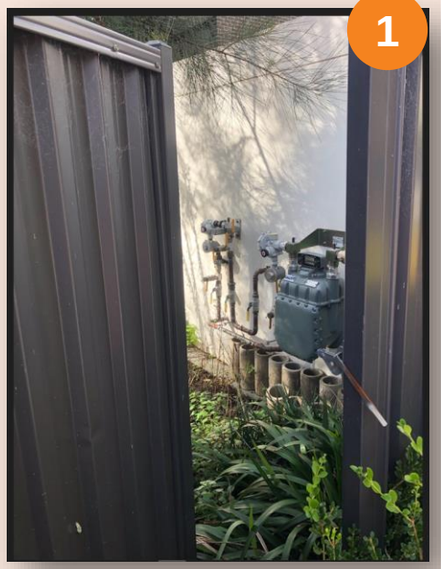
Mechanical gears

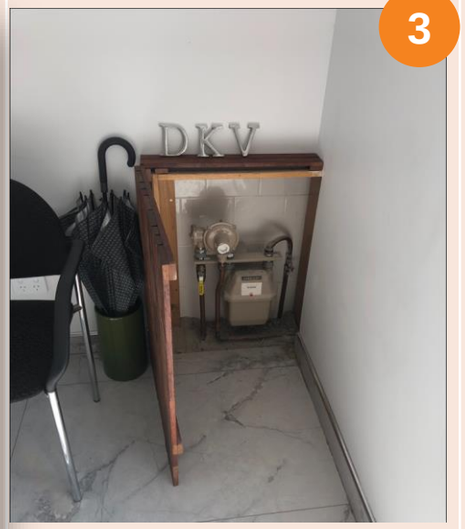
Large in size

Rotation movements

Dials for meter reads

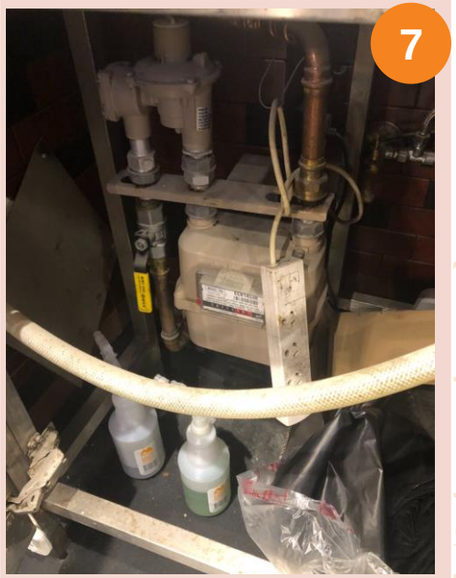
Location and accessibility of meters





Unsafe locations

Relies on customer availability to access



Challenges

Estimated Bills

Safety

Unable to access our meters

Sudden high bills

Safe & timely disconnection

Solution – Digital Meter

Features include
Accurate reads
On demand reads
Able to disconnect remotely
Ease of household energy consumption monitoring
Smaller size

But it is more expensive!

Regulatory response slider

Digital meters

There is a digital meter solution. Who should receive digital meters?

	Do nothing after the trial	Replace hard-to-access meters, but ***only if*** they are aged / defective	Replace ***all*** hard-to-access meters	Replace ***all*** hard-to-access meters ***AND*** all internal meters	Replace ***all*** aged & defective meters
No. of new meters installed	0	8,000	36,000	70,000	245,000
Bill impact per annum, 2026-30 (per customer)	$0	$1	$1	$1	$3
Bill impact per annum, 2031-45 (per customer)	$0	$1	$4	$6	$21

Managing Permanent Disconnections

Catherine Marshall

AA Commercial Stream Lead, Customer and Commercial

Jemena

Customer values: affordability, planning for our future, fairness and reliability

Jemena

Permanent disconnections

What

Steps involved in a permanent disconnection

1. Meter is removed from the premise
2. Customer service is cut from the main and capped
3. While the service is left on the property it is no longer “live” and has no gas
4. After permanently disconnecting, a customer needs a new connection to get gas again

Why

A permanent disconnection may be required for safety reasons, e.g. if someone is doing a knock down/rebuild of their house, or if the site is being developed.

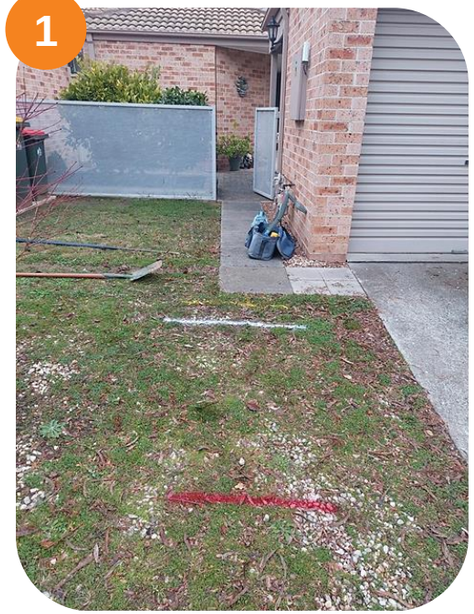
If customers remove all their gas appliances, they may choose to permanently disconnect from the gas network

How many

In recent years, approximately 4,000 customers permanently disconnect from the gas network.

A look at permanent disconnections

1



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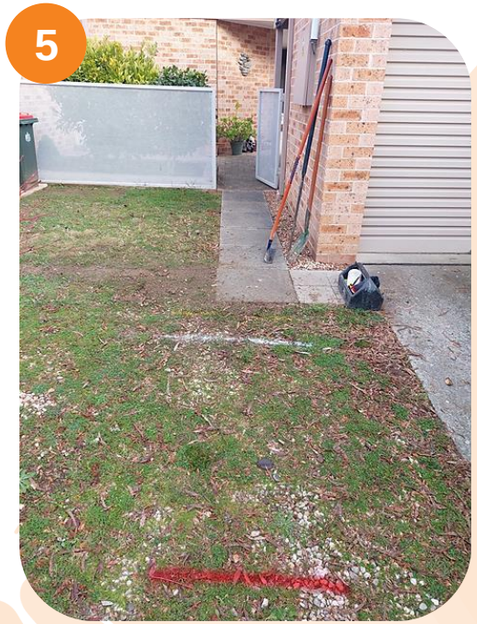

Current cost of permanently disconnecting

Cost

Currently, residential customers are charged around **$1,400 (including GST)** to permanently disconnect from the gas network.

Who pays

For Jemena, the customer requesting the permanent disconnection pays for it.

In some cases, the cost of permanent disconnection cannot be recovered from the customer.

Regulatory response slider

Permanent disconnections

If an individual permanently disconnects from the gas network, what proportion of that disconnection cost should be shared amongst the broader gas network's customer base?

The individual permanently disconnecting pays ___% of the cost	100%	75%	50%	25%	0%
Broader customer bill impact (2025 to 2030)	$0 p.a.	$1 p.a.	$2 p.a.	$4 p.a.	$7 p.a.

Current approach

Group work

- Each group discusses what they've learned and how they think the responses should be set.
- Use the evaluation questions as a guide; and consider the trade-offs just discussed.
- Each person writes their individual assessment of the response on a card. On the card they write a reason for where they've 'set the dial'.
- Look at the consolidated slider for all the responses.
- Is there anyone who is persuaded to move?
- Note overall consensus = 80%

Jemena

Lunch – back at 1.45pm

Reminder: the remit

Australia is transitioning to net zero carbon emissions by 2050. We see a role for Jemena Gas Networks in the transition and beyond 2050. However, there is more and more uncertainty in the energy sector, and cost of living pressures and energy prices are rising.

We want to adapt and take action now so we can create our future, but we need the support of customers to do this.

Can we do this in a way that is fair for customers over the next five years, and beyond, whilst managing uncertainty and remaining affordable in the future?

Drafting recommendations in response to the remit

We've now come to a landing on where you think the responses should be set. You've learned a lot along the way. We'd like you to reflect on the responses but also back on the Remit, to draft some initial recommendations for Jemena.

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Jemena

Afternoon tea – back at 3.15pm

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Can we do this in a way that is fair for customers over the next five years, and beyond, whilst managing uncertainty and remaining affordable in the future?

Wrap up and thank you!

We will see you online for session six

6pm-9pm Tuesday 15 August 2023.

Any feedback:
GasNetworks2050@jemena.com.au

Login to your private online community to discuss what you heard:
yournetwork.jemena.com.au/login