

Gas Access Arrangement 2025-30

Outcomes report

29 August 2023



Engagement session playback



Interest in renewable gas and certification: many attendees are interested in accessing renewable gas, because of the alignment with their organisations' sustainability goals. Other points raised on this topic included:

- concern about increasing costs to the industry.
- let the market decide on what fuel is best.
- interest in renewable gas targets public messaging.
- Playing an essential role in Australia's energy transition.



Feedback on the response areas explored during the customer forums: Of the seven response areas, attendees are most interested in:

- Renewable gas.
- Accelerating capital recovery: one attendee asked if accelerating capital recovery would lead to price increases.
- Digital metering.
- How Jemena manages its assets.



Regarding **the Access Arrangement**, several participants weren't interested in learning more. Other feedback included:

- More information on the potential rates and want to see tariffs reduced.
- They want to ensure reliability and affordability.
- One participant stated that network assets should not be depreciated too quickly.
- **12 participants opted-in** for follow-up 1:1s with Jemena about the specifics of the Access Arrangement and will be contacted shortly.

Other insights from large users on **renewable gas** focused on their hopes for its significant role in hard-to-electrify industries, potential role in the energy transition, hopes to get an on-site project, and they can see the potential for meeting sustainability goals.

Feedback (verbatim) on **renewable gas** from large users:

"Very important"

"Hopefully it will play an important role in Australia energy transition as the concept makes a whole lot of sense."

Gas generators will need to move towards renewable gas as the ESG requirements become more stringent."

"Something that we are watching with interest. Gas is our second biggest carbon contributor in our business."

"Hopefully, we'd like to get an on-site AD project going to generate biogas/renewable gas."

"Think it could be hugely valuable as it could take the pressure of the electricity transition, reduce the need for huge capex investment from major gas customers etc"

"It is an important tool to have in the toolbox. Some gas usages (eg feedstock) cannot be electrified and therefore a renewable gas network provides additional green options."

"I hope it plays a significant role. I also see a level of demand destruction as both inevitable and desirable as we move towards a future where natural gas is more highly valued for its properties in specific applications while electrification replaces it in low value low-temperature applications."

Other insights from large users on **the access arrangement** focused on wanting more information on rates and tariffs, striking a balance between reliability and affordability and supporting the energy transition. Several participants also stated they had nothing further to contribute on this topic.

Feedback (verbatim) on **the access arrangement** from large users:

"No"

"None so far"

"Would like further information on the potential rates"

"No"



"Support energy transition or get left behind..."



"The Access Arrangement is long and complex. At the end of the day, large users want to see tariffs reduce."

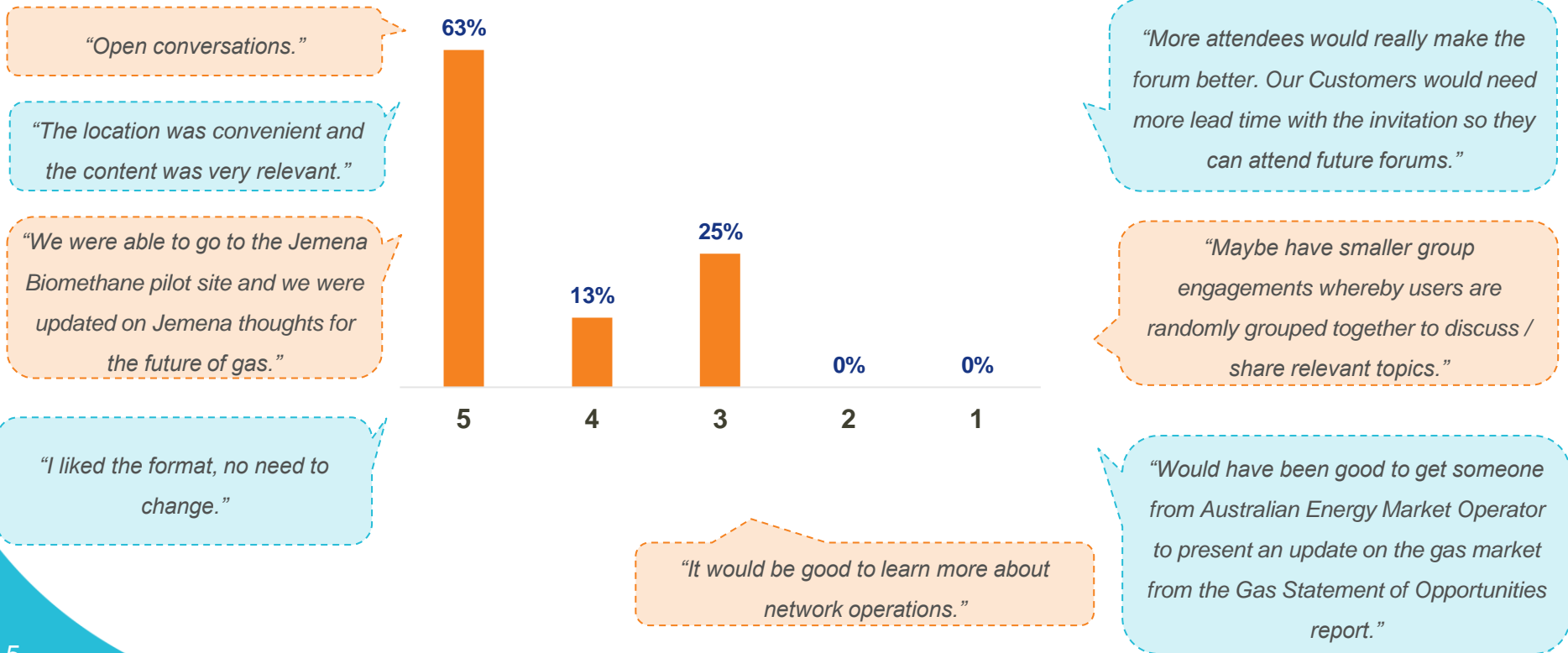
"We hope that the networks assets are not depreciated too quickly. Should stick with the current asset depreciation model."



"How to ensure reliability and affordability"

Overall rating of the day and suggestions for improvements

Overall, how would you rate the Major User Forum? (out of 5 stars)



Q: Overall, how would you rate the major user forum (from 1-5 stars where 5 is excellent)? N=8 ** Caution low base

Methodology: What we did in the session



Objectives

Our objectives of the day were to give feedback on what we'd heard in March 2023, an overview of the future scenarios developed, an update on customer feedback so far, and get large users' initial thoughts and questions on specific response areas within the 2025-30 Access Arrangement.

Attendees

Twenty-six representatives from 23 organisations attended (see the breakdown on the following page).



Format

The session ran for twenty minutes in person as part of the broader presentations and activities at the Large Users forum on 29 August 2023. We used the interactive online tool Menti to solicit feedback from participants in-session and a survey feedback tool following the session to obtain feedback.

Overview Summary



Section 1: Welcome, retailer feedback at the last session, an overview of future scenarios and customer engagement so far

Our first section was dedicated to introductions and reviewing feedback given at the last session in March 2023, and an overview of early customer feedback as part of the draft plan and also on tariffs.

Section 2: Early feedback from household customers

Our second section of the day covered response areas of interest to large users and an overview of feedback from household customers on the other response areas. This information was followed up with a Q&A session where large users shared their considered feedback verbally and via Menti.



Section 3: Coming up – reference service agreement and tariff engagement

We rounded off the session with a reference to what is coming up, including the Reference Service Agreement and next round of Tariff Engagement, and an invitation to meet one-on-one, ending with a thank you and close.

Who attended? Large user attendees

Company	Name	Job title
ABC Paper and Paper Mill Pty Ltd	Brandon Ly	Director
ABC Tissue Products Pty Ltd	Patrick Ngai	Project Manager
AstraZeneca	Nathan Collett	Senior Process Engineer
AstraZeneca	Jasmine Stewart	Environmental Engineer
Bioenergy Australia Ltd	Shahana McKenzie	Chief Executive Officer
Bisalloy Steels	Jose Cabello	Engineering, Maintenance and Environment Manager
BOC South Pacific	Vesna Olles	Director of Clean Energy
BOC South Pacific	Chris Dolman	Business Development Manager – Clean Hydrogen
Boral Ltd	Phillip Watts	Procurement manager Energy & Fuels
Borg Manufacturing	Adam Boardman	Project Manager
Borg Manufacturing	Andrew Cheah	Head of Group Energy

Who attended? (continued)

Company	Name	Job title
Brickworks	Arnaud Berckmans	Energy Manager
Coca-Cola Europacific Partners	Scott Edwards	Sustainability Lead
Coles	Jane Mansfield	Head of Energy
CSR Building Products	Amin Gholami	Energy Manager
CSR Limited	Linden Birch	Group Decarbonisation Manager
EnergyAustralia	Jacquie Hiller	C&I Energy Solutions
Etex Australia Pty Ltd	Kathryn Walker	Regional EHS & Sustainability Manager
Etex Australia Pty Ltd	Justin Wall	National Procurement Manager
Fresh Food Corp	Ramon Alvarez	Manufacturing Manager
Hawkesbury Eco Asphalt	Chris Engelbrecht	Project Manager
JLL	Shaligram Ghimire	Property Services Manager

Who attended? (continued)

Company	Name	Job title
Lawrence Drycleaners Pty Ltd	Koroush Changizi	Chief Financial Officer
Lawrence Drycleaners Pty Ltd	Anwar Mangal	Managing Director
Molycop	Karla Stewart	Procurement Manager
Monroe Springs (Australia) Pty Ltd	Jeff Mchardy	Purchasing Manager
Optimal Renewable Gas	Mike Davis	Managing Director
Panadol Australia	Pat Mahony	Manufacturing Manager
Shell Energy	Lynn Limosnero	Senior Operations Analyst
SIMEC Energy Australia	Matthew Legg	Senior Energy Analyst
SIMEC Energy Australia	Saul Milner	Gas Manager
Snackbrands Australia	Chris Burge	Procurement Manager
Snowy Hydro	Hugh Macfarlane	Manager of Physical Markets
Solvay Interlox Pty Ltd	John Raven	Site Manager
The City of Sydney	Kunal Johri	Utilities Manager

Jemena attendees

Name	Title
Frank Tudor	Previous Managing Director
Shaun Reardon	Executive General Manager Networks
Ana Dijanosic	General Manager Regulation
Sandra Centofanti	General Manager, Customer and Commercial
Brent Davies	Commercial Manager Renewable Gas
Andre Kersting	Gas Networks Regulation Manager
Brad Gee	Key Accounts Manager Evoenergy & Key Accounts
Emille Kueh	Relationship Lead – Energy Retail – Retail Operations
Catherine Marshall	Accounts Manager Evoenergy & Key Accounts
Sounan Chen	Commercial Manager Evoenergy & Key Accounts
Merryn Spencer	Engagement Lead Jemena Gas Networks

CCP observers noted their apologies to this session.

Renewing our energy mix

You are invited to the

**Jemena Gas Network
Major Customer Forum 2023**

**Tue 29 August
11am – 5pm**

11am – 1pm

1.30pm – 5pm

**Site Tour of the Malabar Biomethane Facility
KPMG Offices, Tower 3, 300 Barangaroo Ave.**

Join us for a morning tour of the Malabar Biomethane Facility, and in the afternoon hear from our Managing Director Frank Tudor, followed by an update on the Jemena Gas Network 2025–2030 Access Arrangement. The forum will conclude with a panel discussion featuring Shahana McKenzie, CEO Bioenergy Australia, Mike Davis, Managing Director Optimal Renewable Gas and Chris Dolman, Clean Hydrogen BOC South Pacific, facilitated by Jemena's General Manager for Customer & Commercial, Sandra Centofanti.



Presentation slides

29 August 2023

Access Arrangement: summary of your feedback so far



Reference service feedback: majority of large users and retailers indicated that our reference service is likely to meet their future business needs.



Engagement approach: large users want two-way engagement, planned and with sufficient notice, meaningful and focused, with transparency and clarity of purpose.



Access arrangement: some felt the future of the energy system needs to be considered.

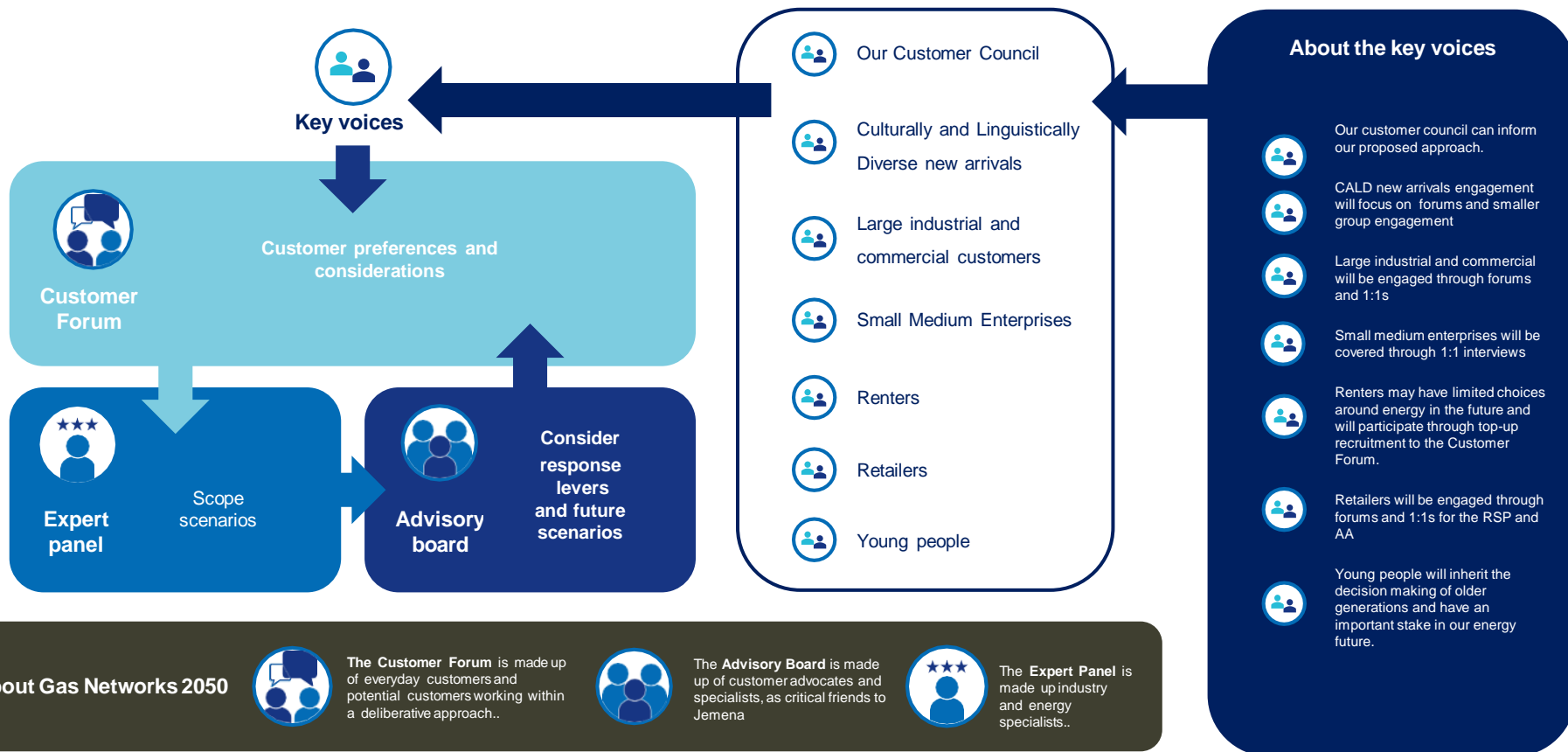
Renewable gas: large users are interested in the future of gas and the energy transition, and Jemena's role.



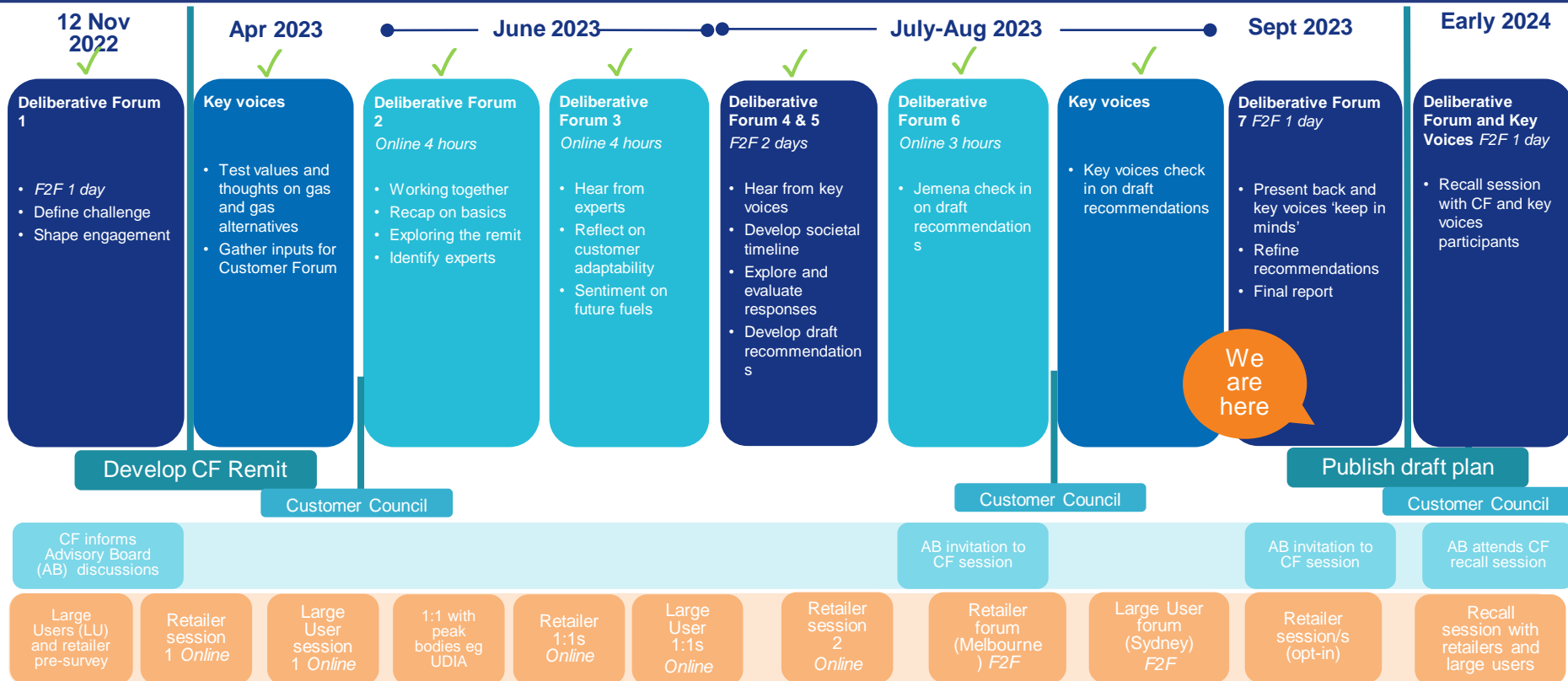
Supply chain: large users are interested in the gas industry price throughout the supply chain and where prices get affected.

Asset lives: details on lifespan, timelines and financial assessment of assets.

Engagement program for Gas Networks 2050 and the Access Arrangement



Recap: Access Arrangement engagement program



What we've heard from customers so far:

- Choice of gas
- Vulnerable customer initiatives
- Connections
- Willingness to pay for renewable gas and innovation
- Expectations of access into the future
- Reliability and security of supply
- Dealing with uncertainty (across the four demand scenarios) through accelerated depreciation, charging for connections, moving towards renewable gas and permanent disconnections
- Tariff reform options and fairness.

The Expert Panel scenarios – the future is uncertain

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

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.

Market led vs Government led

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

AA consultation: the regulatory responses we're exploring to manage uncertainty

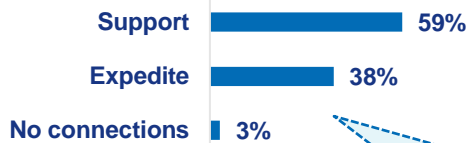
- 1) Moving towards renewable gas
- 2) Accelerating capital recovery
- 3) How Jemena manages its assets
- 4) A new approach to connections
- 5) Supporting vulnerable customers
- 6) Digital metering
- 7) Permanent disconnections



Which of these are of most interest to you?

Update: what has the customer forum said?

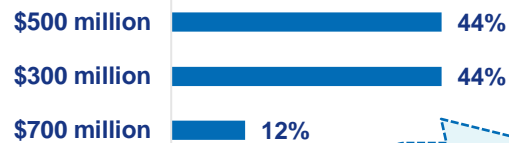
Moving towards renewable gas



"Support! As we have a better understanding the benefits the impact and environmental factors..."

"Expedite...but support customers who can't meet the costs impact - Why I need renewable energy for the environment..."

Accelerating capital recovery



"Moderate response until the future is clearer..."

"Keep impact low – high bills will drive customers away..."

How Jemena manages its assets



"Would rather least cost up front. Also we don't know what cost saving innovations that might arise in future..."

"Seems more suited to a 'gas future' while maintaining safety..."

A new approach to residential connections

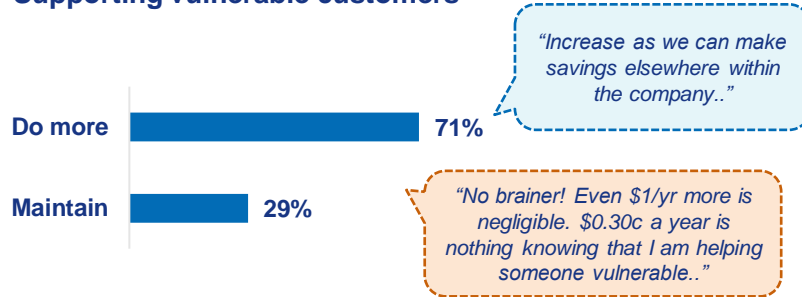


"Keep it in the middle to encourage new customers to connect and keep existing customers..."

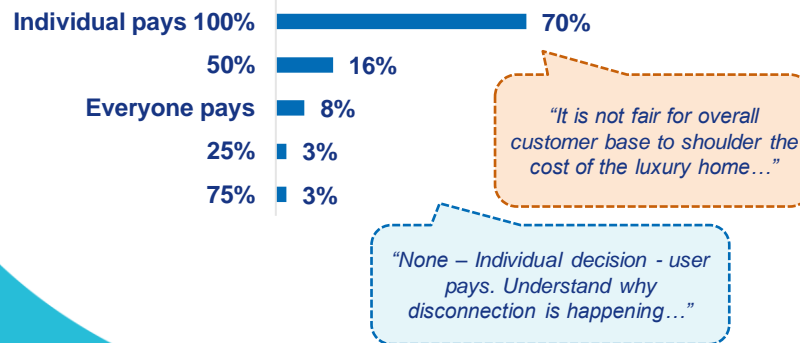
"High as new connections will taper..."

Update: what has the customer forum said? (continued)

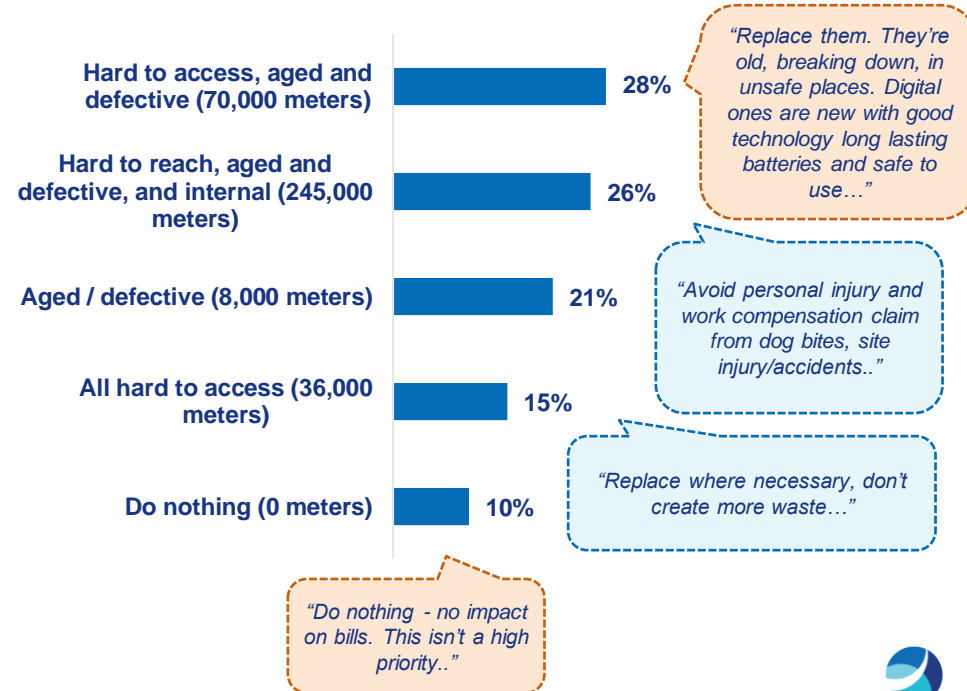
Supporting vulnerable customers



Permanent disconnections



Digital metering



This video shows the consultation with our Youth Customers, and what they've said so far. This group are helping us to shape the proposal that can help manage the challenges for our next regulatory submission to cover 2025-2030 and beyond. Hear what our young customers and how they are collaborating with us on our plans for the future.



Gas Networks 2050: Hearing from our young customers

Click above, or copy and paste this link into your browser:
<https://youtu.be/iNgRg9Wru8Q?si=xCEiakXaEqQ7RTdx>

This video describes the consultation with our Culturally and Linguistically Diverse Communities so far and their insights. They are helping us shape the proposal for 2025-30 and beyond. Hear what these diverse customer groups are saying, and how they are collaborating with us on our plans for the future.



Gas Networks 2050: Hearing from our culturally and linguistically diverse communities

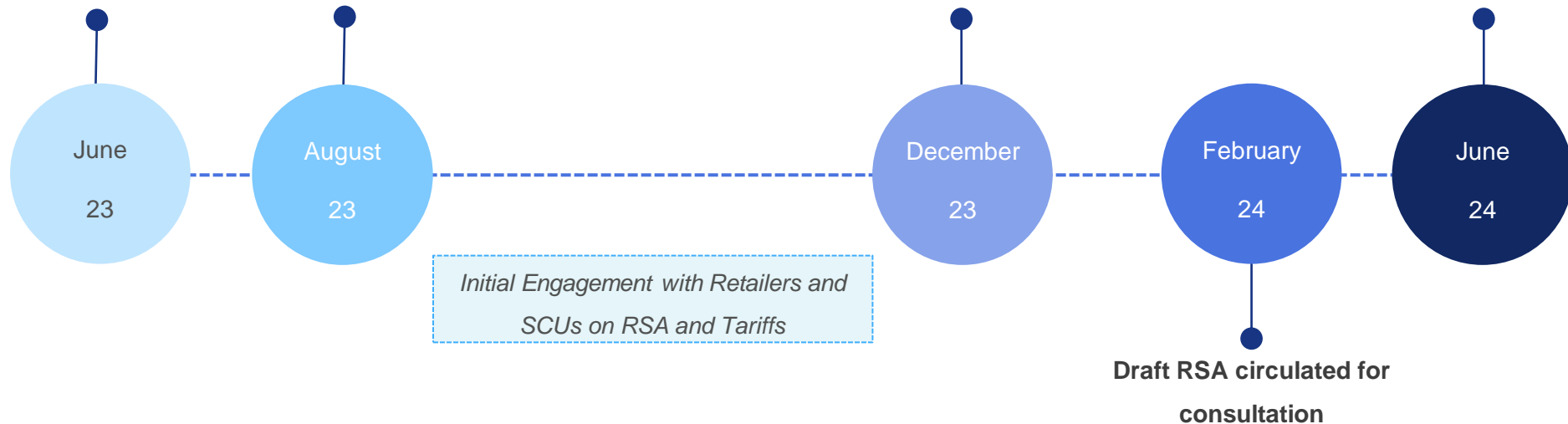
Click above, or copy and paste this link into your browser:
<https://youtu.be/CvvAjhRecvo?si=tCnPfaUj6v1T9juq>

Coming up: Reference Service Agreement (RSA) and Tariff Engagement

Reference Services
Proposal Submitted

AER – Reference Services Proposal
Decision

Initial Proposal to be
Submitted including
Draft RSA



Question to the Self Contracting Users: Let Brad know who are the right people from your organisation for us to be engaging with?

Q&A

FEEDBACK

A hand is shown from the wrist up, with the index finger pointing towards a glowing yellow rectangular box. Inside the box, the word "FEEDBACK" is written in bold, dark blue capital letters. The background is a blurred bokeh of blue and green lights.