

Coordinator of Energy
Attn: Director, Wholesale Markets Branch
Energy Policy WA
Locked Bag 11 Cloisters Square WA
PERTH BC WA 6850

7 September 2022

Dear Mr Thomas,

Thank you for the opportunity to comment on Woodside Energy's Integrated Energy Network rule change proposal.

The energy sector in Western Australia exists to provide electricity and gas to consumers. It is central to energy production and delivery that the long-term interests of energy consumers are served. The Expert Consumer Panel (ECP) was established by the Western Australian Government to provide input on policy, rules and other processes across all elements of the energy supply chain.

The ECP is represented on the Pilbara Advisory Committee (PAC) and participated in the discussions on Woodside's proposal on 4 May and 3 August 2022.

This is the first rule change considered by the newly-established PAC, and the ECP would like to take the opportunity to make two overarching points which go to your consideration of this matter and future rule changes.

Firstly, more than 63,000 people live in the Pilbara, a unique and culturally diverse region home to Aboriginal people from 31 language groups. The very hot summers in the Pilbara mean that people are particularly dependent on a secure and reliable supply of electricity for their comfort, health and wellbeing. It is therefore critical that the people of the Pilbara have a voice in how their electricity system is managed.

This means that parties coming forward with rule changes should engage with the range of stakeholders with an interest in, or likely to be impacted by, the proposal such as household, small business and community interests to inform and test rule change proposals. The rule change proposal itself should reflect feedback received and how it has informed design.

Secondly, rule changes should also include the details about economic, social and environmental costs and benefits that stakeholders, and indeed the Coordinator of Energy, need to properly assess how well the proposal aligns with the Pilbara Electricity Objective. The Woodside proposal does not include detailed information about the costs and benefits of alternative solutions to justify amending the rules. More detail about how electricity generated in the solar farm will be used in the Pluto facility (e.g. by offsetting gas used as part of the processing of LNG) would also be needed to have confidence that the project would lead to an

overall reduction in the emissions from the facility. The imminent legislation of a 43 per cent emissions reduction target for the Australian economy (by 2030) also means clarity is critical because what happens inside this facility will significantly impact the emissions reduction task for all other energy consumers.

A process issue we would urge you to consider is the timing of the technical work being undertaken in parallel to the rule change process rather than prior to submission of the proposal.

We strongly support the steps that are being taken to establish a working group, chaired by the Pilbara Independent System Operator, to assess the implications of the rule change for the reliability, safety and security of the Pilbara Interconnected System. The ECP's view is that the working group should be given the time it needs to properly explore these technical matters, and provide its advice, ahead of the publication of a draft decision, to ensure stakeholders can make informed submissions. The proposed solar farm and the transmission system are long-lived (multi-decade) assets, and we do not see any justification for rushing any decision to amend the Pilbara Network Rules ahead of this work being completed.

The ECP would be pleased to discuss this rule change further if required, and will continue to engage in the process as it progresses.

Kind regards

Expert Consumer Panel