

2 August 2023



Energy Policy WA
Level 1, 66 St Georges Terrace
Perth WA 6000

Sent via email: EPWA-Submissions@dmirs.wa.gov.au

Dear Energy Policy WA

PROPOSED CHANGES TO THE ELECTRICITY NETWORKS ACCESS CODE – PRIORITY PROJECTS – CONSULTATION PAPER

The Chamber of Minerals and Energy of Western Australia (CME) is the peak representative body for the resources sector in Western Australia (WA). CME is funded by member companies responsible for more than 91 per cent of the State's mineral and energy workforce employment,¹ ranging from mining (mineral and petroleum commodities) to manufacturing (alumina, basic inorganic chemicals and explosives) and supporting services. Within Western Australia the sector is vast and complex, comprising of operations across a diverse grouping of commodity types and traversing stages, from exploration through production and closure.

CME appreciates the opportunity to provide this submission and our sector's insights regarding the proposed changes to the *Electricity Networks Access Code 2004* (Access Code), specifically:

1. Expanding the definition of a Priority Project in section 1.3 to include projects specified in a "priority project determination" made by the Minister for Energy; and
2. Establishing a "priority project determination" in sections 1.3 and 15.1A, and requiring the Minister for Energy to provide reasons for such a determination in section 15.1A.

In short, CME supports the amendments to the Access Code as they are proposed in the consultation paper. We believe they adequately address both the intent of the amendments and principles of transparency. We provide our full comments on the proposed amendments below.

The transition to net zero

Addressing the global challenge of climate change requires every sector of the global economy to change the way they operate – from the mining and energy production sectors to the infrastructure, transport, waste and agricultural sectors.

A net zero future represents a significant transition from business-as-usual (BAU) for the WA resources sector. The transition will require considerable innovation and technology development to reduce emissions¹ associated with material movement, energy generation, onsite operations, process-related emissions and consumption of thermal energy for processing activities.

CME members are already transitioning their current and future operations to achieve net zero emission targets by 2050 or earlier, meeting both voluntary corporate commitments, as well as obligations imposed by Federal and State Government regulation.

CME members' operations include both consumers and producers of energy, as well as generation and transmission infrastructure owners and operators. Energy, in a variety of forms (e.g. natural gas, coal, electricity, diesel) is a significant operational input for the production, processing and transport activities conducted by CME members.

¹ Emissions for the purpose of this report are greenhouse gases as defined in s7A of the *National Greenhouse and Energy Reporting Act 2007*, which include Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), Sulphur hexafluoride (SF₆) and specified hydrofluorocarbons and perfluorocarbons.

The supply of low emission, affordable and reliable electricity is critical for decarbonisation of the resources sector. With current limitations on the effectiveness of emissions abatement technologies, the industry's focus to 2030 will be largely on consumption of electricity sourced from low emission (renewable) generation. In addition, affordable and reliable low emission electricity creates opportunity to further reduce emissions through future process electrification.

Correspondingly, we support the assertions both in the SWIS Demand Assessment and in Section 1.1 of the consultation paper that significant and urgent network infrastructure investments are required to support the reliability and security of the power system and meet future low-emissions electricity demand. With regards to transmission infrastructure specifically, we note the SWIS Demand Assessment's 'Future Ready' scenario envisages 4,000 km of new transmission lines.

Current arrangements and the case for change

CME supports the characterisation of both the current arrangements and the case for change. The complexity and scale of the challenge of Western Australia's energy transition requires industry and Government to be as agile and adaptive as possible.

The Whole of System Plan (WOSP), while providing a forward-looking, 20-year view, is delivered once every five years, and the associated process does not provide for consideration of new information arising in the years in between publications. However, as noted in the consultation paper, there are several examples of how quickly new information can arise.

We note that transmission network projects have and will continue to involve long planning and implementation time frames. In order to meet the legislated emissions reduction targets, and with forecast increases to electricity demand, industry will require work on the transmission network augmentation to begin as quickly as possible.

We further agree with the assertion in the consultation paper that there are significant risks associated with not commencing these transmission projects in a timely manner, namely with respect to reliability and cost of energy supply, as well as meeting industry, state and federal decarbonisation outcomes. A timely rollout of transmission projects is critical to large consumers being able to meet voluntary and legislated emissions reductions targets.

The amendments

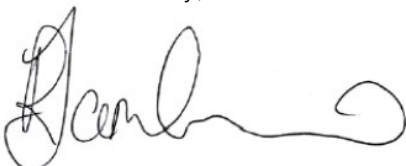
CME supports the proposed amendments as they are presented in the consultation paper. We believe it adequately achieves the desired intent by providing an expedited pathway to determine projects which are a priority for the network. We have no suggested changes to the wording put forward in the consultation paper.

We further support the requirement for the Minister to provide reasons at the time of making a determination, (as the term 'reasons' is defined under the Access Code), and believe there is sufficient transparency in the measure, particularly given the additional requirement for the Minister to outline how a priority project determination meets the Access Code objective.

We again thank Energy Policy WA for the opportunity to comment on the proposed amendment, and look forward to their continued efforts to support the generational transformation of WA's energy network.

Should you have questions regarding this document, please contact David Modolo, Senior Policy Adviser – Industry Competitiveness, on 0419 827 151 or via email at D.Modolo@cmewa.com.

Yours sincerely,



Rebecca Tomkinson
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